INTERNATIONAL NARCOTICS CONTROL: PROVISIONS OF THE ANTI-DRUG ABUSE ACT OF 1986 AND BUDGET DECISIONMAKING

HEARING

BEFORE THE

SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL HOUSE OF REPRESENTATIVES

ONE HUNDREDTH CONGRESS

FIRST SESSION

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INTERNATIONAL NARCOTICS CONTROL PROVISIONS OF THE ANTI-DRUG ABUSE ACT OF 1986 AND BUDGET DECISIONMAKING

WEDNESDAY, MARCH 25, 1987

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL,
Washington, DC.

The Select Committee met, pursuant to call, at 10:09 a.m. in room 1310, Longworth House Office Building, Hon. Charles B. Rangel presiding.

Present: Representatives Charles B. Rangel, Benjamin A. Gilman, Fortney H. Stark, Solomon P. Ortiz, F. James Sensenbrenner and Lawrence Coughlin.

Staff present: Edward Jurith, staff director; Elliott Brown, minority staff director; George Gilbert, counsel; Mike Kelley, professional staff; Jim Lawrence, professional staff; Debi Bodlander, professional staff; Rebecca Hedlund, press officer; Heide Haberlandt, staff assistant; and Jack Cusack, consultant.

Mr. RANGEL. The Select Committee will come to order.

I will forego an opening statement. The President of the United States is on the Hill to meet the Minority Members of the House of Representatives, and they have to leave. So I will yield to my distinguished Minority Member, Benjamin Gilman.

[Mr. Rangel's written opening statement appears on p. 41.]

OPENING STATEMENT OF HON. BENJAMIN A. GILMAN, RANKING MINORITY MEMBER, HOUSE SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

Mr. GILMAN. Thank you, Mr. Chairman.

I want to welcome Mr. Miller before us today. And of course we're going to meet with the President, principally on Mr. Miller's concerns on the budget this morning. And while you are here, I hope that I will be able to return so that we could get into a dialog with you.

For the past month, our committee, Mr. Miller, has been conducting oversight hearings on the Anti-Drug Abuse Act of 1986. And we have taken testimony from the Departments of Education, Justice, Defense, Health and Human Services, Customs, the Coast Guard, the Drug Enforcement Agency, and other agencies responsible for waging war on narcotics.

This morning, we will be hearing from two additional agencies—OMB and the State Department.

Last year, as you know, Congress enacted and the President signed into law landmark legislation, a bipartisan effort, a strong bipartisan effort, authorizing for the first time, significant re-

sources of nearly $3 billion to help reduce both supply and demand for illicit drugs, the President having declared drugs a threat to our national security, giving it a high national security rating, and joined the First Lady in her crusade in making our Nation free of drugs.

These events indicate a long-term commitment was finally created with the Federal Government supplying sorely needed leadership to combat an epidemic that threatens every child, neighborhood and workplace, an epidemic that has been made very obvious to this committee, that has conducted hearings throughout our Nation, and has undertaken missions to the drug-producing nations throughout the world.

What has transpired in the past few months, though, has shocked this committee. Through the Office for Management and Budget, funds for programs ranging from education and rehabilitation to local law enforcement have been slashed or zero-funded outright.

The Administration's budget proposal for Fiscal Year 1988 eliminates funding for state and local narcotics enforcement assistance. It reduces by more than 60 percent the support for drug education in our school systems and eliminates additional funding for expanded treatment and rehab programs established under the Anti-Drug Act of 1986.

Many programs initiated by this Act were not given the opportunity for implementation. They were not even given a chance to do what they were charged with doing. Clearly, OMB is in the middle of all of this.

And I've had a difficult time defending our thrust, last year, to try to provide the kind of resources that have been so sorely needed over the past decade, as we talk about a war against narcotics, but not backing up our words with any funding.

During today's hearing, we will want to learn just how these budget decisions were made, who made them and why these drastic cuts were being made. We want to learn if full and open consultation took place with the drug agencies, or if these decisions were accomplished in a vacuum. And was there any consultation with the President, who has declared a strong commitment to these programs?

We want to know if OMB believes that the war on drugs has been won—especially in the light of the recently released State Department report stating that we can expect bumper crops of cocaine, of heroin and marijuana in 1987, again flooding our shores.

I also want to welcome Deputy Assistant Secretary of State Jerrold Dion, who is here today to inform us of the State Department's efforts to control the international production and trafficking of drugs.

Despite the expanding illicit cultivation of drugs, the Administration has certified that virtually every drug trafficking state and nation is fully cooperating with our own Nation in halting the flood of drugs to our shores. A full explanation of the justification for such recommendations I think is in order, and I hope that Mr. Dion can provide us with that sort of an explanation.

Mr. Chairman, we look forward to hearing from our witnesses and to a frank and open discussion of the drug-related problems confronting our nation and, indeed, the world.

And I regret that because the President is on the Hill, that the Republican Members will be detailed for at least an hour.

Thank you, Mr. Chairman.

[Mr. Gilman's full written statement appears on p. 47.]

Mr. RANGEL. Thank you, Mr. Gilman. And I'm certain that Mr. Miller will be responding to some of the questions that you have raised.

I want to take this opportunity to thank you, Mr. Miller. I apologize that our Republican Members will have to respond to the Chief Executive's visit.

Mr. MILLER. That's okay with me.

Mr. RANGEL. But I want to congratulate you for the manner in which you have responded to this committee, and other committees. And having to do this with so many subcommittees, I know it's a terrible strain on you. I wish I could say that we received the same type of cooperation from other Administration people. We've been unable to get Secretary Shultz for six years. We were unable to get Secretary Bennett the last time out. I assume we can't get Secretary of Defense Weinberger. The Attorney General, I think it's almost impossible to arrange a schedule for him.

And the Select Committee has been selected by the House of Representatives to do a job. I know the Administration has a problem with what we've been trying to do. But that's not important. What is important is that we attempt to work with each other to avoid some of the problems that we had in the last omnibus bill, because I think a part of your testimony is going to show that we did what we thought was in the Nation's interest.

The President signed a bill. And now there seems to be a sharp difference of opinion between what the Administration thinks that they have signed and what the House knows that it passed, that is, the House and Senate.

And so I hope in your testimony you will be able to share with me just how you made these budgetary decisions, who did you talk with, and whether or not it was just an accounting decision or whether indeed it was a policy decision.

Your full statement, if there is no objection from the committee, will be entered into the record. But the things that I would like to ask you to address yourself to is, when you talk about increases in expenditures by the Administration, are you talking about Congressional initiatives, or are you talking about requests that are made by the Administration?

When you talk about increases in demand reduction programs, treatment and prevention, whether or not you could share with us whether or not that has taken into consideration the recently passed bill or whether we're talking about what we have as a reduction in Federal support for state and local drug abuse treatment programs.

I am interested also as to what did the Administration or you use to determine that capital equipment for interdiction was a one-time operation, and that we wouldn't need it next year, taking in consideration that Commissioner von Raab has testified in front of this

committee that it's going to take a number of years to see whether or not the equipment that he has is effective, and that he really doesn't know what his needs are going to be in terms of money or technology for the next years, and that the State Department has indicated, as we well know, that we expect bumper crops from every drug producing country.

I would like to know under what theory you had, that when the Congress said we were going to give assistance to front line law enforcement groups, that the Administration reached a decision that we were going to do it just once, and then quit, and that we were not going to continue to program as we outlined in our bill, for three years.

And then when it comes to the treatment programs that we have in education, we know the resistance up until the 11th hour by Secretary of Education, Secretary Bennett. But it is my understanding that the Administration has decided to allow only one half of the funds that Congress has provided to support new initiatives, and then they were going to take these savings which they determined that they were going to save by not using the money, the remainder was going to fund the second year program.

Now, I participated in each stage of the developing of this legislation, the Conference, as well as the ceremony in which the President signed it into law, and the thinking that the Administration has come up with, no one in the House or Senate is privy to how that was reached.

And lastly, I would suspect in the area of education, we had a representative from Secretary Bennett's office, and I don't know whether he charges up to you, but it seems as though we have asked for $250 million for 1988; that's in the House and Senate bill; that's the bill that the President signed into law. And now the Office of Management and Budget has indicated that this is going to be reduced to $100 million.

This is at a time where educators, school boards around the country have come to the Congress saying that they thought we meant what we said, and therefore they're embarking on programs, recruiting people, training people, only to find out that they had six months probably left to get a program started, and they're apprehensive that we don't intend to fund them for next year.

From what I understand, Director Miller, the State Department has indicated that every drug producing country, whether we're talking about opium or coca leaves, intend to have a bumper crop. That's State Department.

From what I understand from Commissioner von Raab, is that if you double the number of people in Customs—and you might put on your list why you think you can cut them and be more effective, because I understand that you're recommending close to a 2,000-slot cut—but he says if you double the technology and you double the men, that in his professional opinion, that you would not substantially impact the amount of drugs that are available because interdiction is doing a better job than it ever has but there are still more drugs coming in than ever before.

So that takes care of the source countries; it takes care of interdiction. And then when you get to the question of demand and law enforcement, DEA has embarked on education because they no

longer want to be a Federal police force. Local and state, they have the responsibility, and you're going to whack them $250 million, in the next year. And it leaves it down to education being the only weapon that we have to protect ourselves with in terms of educating kids to reduce the demand. And now the Administration says that the answer to that is the "Just Say No" Program because you're going to cut the amounts appropriated for education by $150 million to $100 million.

Now, Congress would like to know how you reached those decisions. But let me yield, before you start, to Mr. Ortiz, for an opening statement.

OPENING STATEMENT OF THE HONORABLE SOLOMON P. ORTIZ, A U.S. CONGRESSMAN FROM THE STATE OF TEXAS

Mr. ORTIZ. Mr. Chairman, for the sake of time, I just want to take this opportunity to welcome the witnesses before the committee today. I know we're running late. And I would like to include my statement for the record.

[Mr. Ortiz' written statement appears on p. 51.]

Mr. RANGEL. Mr. Stark?

OPENING STATEMENT OF THE HONORABLE FORTNEY H. (PETE) STARK, A U.S. CONGRESSMAN FROM THE STATE OF CALIFORNIA

Mr. STARK. Thank you, Mr. Chairman.

I have a very parochial concern, that in one of the highest drug primaries in Northern California, we may be handicapped by losing some of these funds.

And I await with interest the witnesses' testimony this morning.

Thank you.

Mr. RANGEL. Mr. Miller, you may proceed. I gave you that lengthy set of questions to show that I read your testimony, and so have the other members, and you may proceed as you find most comfortable.

TESTIMONY OF JAMES C. MILLER III, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET

Mr. MILLER. Thank you, Mr. Chairman.

I think some of those issues are addressed in my testimony. And I would like to go over my testimony. It's an opportunity to have this occasion to speak with you and discuss with you and other members of the committee on this important issue.

It's important as a matter of public policy. It's important personally to the President and the First lady. And I assure you it's important to me. I have three teenage children. And fortunately, none of them have had this problem. But I know families where this has been an extraordinarily disruptive thing, not only for the individual but for the family. And I share your concern over it. And I welcome an opportunity to talk about the President's budget in this regard.

As you know, the President's budget must strike the difficult balance between reducing the deficit while maintaining, in some cases increasing, Federal support for the core functions of Government.

The drug programs contained in the Fiscal 1988 budget fall clearly into this category of essential government functions.

In recent weeks, the Administration has been accused of weakening in its resolve to fight an all-out war on drugs. Nothing could be further from the truth.

From the President on down, every member of the Administration is totally committed to this war, and we're going to win it.

As everyone in this room must surely know, the First Lady has devoted enormous amounts of her personal time and energy to persuading the Nation's young people to "say no" to drugs.

The Attorney General and other members of the President's Cabinet have placed anti-drug programs among the highest priorities in their departments. Virtually the entire Cabinet meets once every month, in the forum of the National Drug Policy Board, to focus our attention on one single issue—and that is how to improve our fight against drugs.

I believe that the Board is working well. Few other issues receive such continuing attention from so many Cabinet members.

As a matter of fact, we expect an Executive Order to be signed very soon that will formally broaden the mandate of the Policy Board to encompass all drug-related issues, including prevention and treatment, in addition to drug law enforcement responsibilities enumerated in the enabling statute.

And the President himself, in addition to providing moral inspiration and policy direction, has presided over the largest buildup of anti-drug resources our Nation has ever experienced.

And if I may say so, calling this Administration soft on drugs, as some have done, is an accusation that simply ignores the facts. Let me explain.

Since 1981, the first year of this Administration, resources devoted to drug enforcement, prevention and treatment programs have grown by 220 percent in nominal dollars. That is, in Fiscal Year 1987, the Federal Government will spend over three times as much on anti-drug programs as it did just six years ago. This growth has been concentrated in the high priority areas of investigations (up 185 percent), prosecutions (up 77 percent), interdictions (up 247 percent), corrections (up 263 percent), drug abuse prevention (up 277 percent), and drug abuse treatment (up 92 percent). Under the President's budget, the Administration, the government, will spend even more in Fiscal Year 1988.

The fiscal year 1988 budget requests a net increase of $72 million for drug law enforcement over Fiscal Year 1987. This will provide for:

More than 400 new workyears for DEA's programs in investigations, intelligence, foreign operations, computer support and technical support;

Nearly 100 additional agent and support positions for the FBI's drug program;

Approximately 500 new Federal litigators and support staff to prosecute drug traffickers;

An increase of $24 million for the U.S. Marshals' drug-related responsibilities of prisoner transportation and court security;

The addition of approximately 800 new bed spaces to the Federal Prison System for drug violaters, and

Continued support for over 2,300 Treasury and Justice Department enforcement personnel allocated to the Southwest border as part of Operation Alliance. This special Operation, which is the product of the Drug Policy Board, will greatly increase the government's anti-drug presence along the Mexican border. All of these items represent increases above what Congress provided in Fiscal Year 1987.

Let me say once again, Administration-proposed spending for anti-drug programs, as measured in outlays, will actually be higher during Fiscal Year 1988 than during Fiscal Year 1987 (actually $3.5 billion total in Fiscal Year 1988 versus $3 billion in Fiscal Year 1987).

Now, there has been much growth from Fiscal Year 1981 to Fiscal Year 1987, the year of the much-heralded Anti-Drug Bill. But the President's budget for Fiscal Year 1988 will continue, and in some cases even increase, the high operating levels achieved in Fiscal Year 1987. Those who do not understand federal budgeting have concluded that the Administration is backing away from its commitment to the war on drugs.

This perception is in error. During Fiscal Year 1987, we will purchase five aerostats, deploy four E–2C aircraft, construct three command and control centers and one intelligence center, and add several hundred new law enforcement personnel to our drug enforcement program.

Every one of these Fiscal Year 1987 enhancements is fully supported in the Fiscal Year 1988 budget. We're even adding 300 more enforcement personnel in Fiscal Year 1988 on top of the Fiscal Year 1987 increases.

And the activities in the President's budget are not limited to drug enforcement. The Budget proposes spending $385 million in Fiscal Year 1987 and the same amount in Fiscal Year 1988 to expand state and local treatment capacity, improve and disseminate prevention models, and extend our knowledge of the causes of drug abuse.

This represents a greater than 80 percent increase over Fiscal Year 1986. By utilizing a two-year spending plan, we will continue the momentum developed in our Fiscal Year 1987 budget by maintaining treatment, research and prevention program levels at the elevated Fiscal Year 1987 level.

The President's budget also proposes an unprecedented Federal commitment to drug prevention in the Nation's schools and communities. The Budget funds the new drug abuse education program for the duration of its three-year authorization—at $200 million for Fiscal Year 1987, at $100 million in each of the next two fiscal years.

The $200 million appropriated for Fiscal Year 1987 will finance non-recurring costs, such as planning and purchase of materials, as well as basic program operations. As in many Education programs that operate on a forward-funded cycle, considerable time will elapse between when funds are appropriated and when they are used at the local level.

Local expenditures of Federal funds for drug education will be minimal in Fiscal Year 1987 and will increase to a steady state level in Fiscal Year 1988 and Fiscal Year 1989.

Thus, the Fiscal Year 1988 request of $100 million should not lead to cutbacks in local programs.

All this support for the drug program in the President's Fiscal Year 1988 budget, and still the Administration is accused to cutting back on the drug war. Probably the best example of one such "reduction"—not really a reduction at all, is the large amount of money contained in the Fiscal Year 1987 drug budget that will be spent on capital purchases. These purchases simply don't have to be repeated in 1988. The President said it best in his radio address this past Saturday. And I quote him:

> A priority item in this year's budget is the continuation of our battle against the scourge of drug abuse. We have tripled spending on drug programs since 1981. In fact, last year (1987) we budgeted a large amount for the purchase of airplanes and the construction of certain facilities. Yet, this year, our budget was criticized for not asking for a repeat of these expenditures.
>
> Well, a lot of this spending on drug programs has been what accountants call capital costs, and now that we have the equipment and facilities, we don't have to buy them every year. In other words, the car is bought, now all we have to do is buy the gas, change the oil, and make normal repairs.
>
> Ask any businessman, he'll tell you that the start-up costs are always the highest. Anyone who's moved into an old home and had to fix it up knows that the initial expenses are the worst.

And what are these capital purchases? Again, let me cite an example. The Fiscal Year 1987 drug budget contains some $58 million toward the purchase of five aerostats for the Southwest border. These are radar balloons that will be used to detect drug smuggling aircraft entering the United States from Mexico.

These five aerostats, together with the one purchased in Fiscal Year 1986, will provide full radar coverage of the entire U.S./Mexican border. Let me emphasize that. These five aerostats plus the one we have already will cover the entire Mexican/U.S. border. And we simply don't need any more of them to cover the border.

Because the aerostats were budgeted entirely in Fiscal Year 1987, none of the costs appear in the Fiscal Year 1988 budget. Now, this is not a reduction in our drug effort. It is simply a function of federal budgeting which shows the entire cost of a capital purchase in the first year.

As you know, Mr. Chairman, there has been considerable discussion about capital budgeting. And one of the problems is that our budget does not always reflect accurately or in the same way that budgets in the private sector for ordinary commercial firms would reflect outlays, or reflect the committments.

But because the Fiscal Year 1988 budget for this item is lower than the Fiscal Year 1987 budget—by about $58 million in this instance, or in other words, the cost of the aerostats—the Administration is accused of going soft on drugs.

Now, let me state it again. We have not reduced federal funding for any drug program that we consider to be an effective use of taxpayer money.

In fact, the only reduction from Fiscal Year 1987 to Fiscal Year 1988 that I would acknowledge as a real reduction is our decision not to repeat the state and local drug grant program that Congress created in Fiscal Year 1987. It was a program the President did not request. It was a program the President objected to when it was put in the drug bill in the first place.

We believe, as you know, that these issues are more appropriately state and local matters. But we have gone along with the 1987 money and looked toward the states and localities to pick up on the programs that the Federal Government is funding as time goes on.

Now, in this case we have an honest difference of opinion with some members of Congress over who ought to pay for local enforcement operations. And bear in mind, Mr. Chairman, as you know, the proportion of resources devoted at the state and local levels to drug enforcement is much, much smaller than what is devoted at the federal level. So when state and local governments complain, I say that we ought to look at what they are doing. Ask them what they are doing. They devote something like, the Attorney General estimated, 2 or 3 percent of their law enforcement resources to drugs at the state and local level, whereas at the federal level, we devote 10 to 15 percent.

So again, what are the state and local governments doing about this issue?

As I view it, the programs which primarily benefit the local community should in most cases be paid for by that community. I would note that many of the grant programs funded in the 1970's by the Law Enforcement Assistance Administration [LEAA] were phased out for this very reason.

In our view, there are few differences between the old LEAA grants and the newly-authorized State and local drug grants. It should also be noted that we never asked for these funds in the first place, as I just indicated.

Rather, it was Congress that added the program to the drug bill despite the Administration's objections. We don't believe it was a good use of federal dollars then and we do not believe it's a good use of federal dollars now. Our position on this funding has been clear and consistent. Why anyone would be surprised at this policy is simply beyond me.

But so much attention has been paid to this reduction that a very important fact has gotten lost in the shuffle. And that fact is that the Fiscal Year 1988 budget also proposes major increases in a number of drug programs, as I enumerated earlier.

Now, Mr. Chairman, I hope that you and your colleagues on the committee will recognize that winning the war against drugs is not necessarily directly correlated with spending ever-increasing federal dollars on anti-drug programs. The anti-drug fight should be a partnership—the federal government, yes, but also state and local governments, schools, churches, unions, charitable organizations and, of course, families.

That is, primarily, the message of the President's drug initiative of last year. Success on the drug battlefield depends on enlisting more institutions in our quest, in our struggle, not seeking out and monopolizing every plausible anti-drug activity.

Now, Mr. Chairman, I would like now to go to this easel here and discuss very briefly several charts—six, I think, in number, which we have given copies of to members of the committee. I apologize for not having these appended to my testimony. They came up yesterday, but we just got them done. And I would like to describe them very briefly and then make a final remark.

Mr. Chairman, and members of the committee, as you can see, this first chart shows outlays will go up from 1986 to 1987. But what seems to be lost in all of this discussion is that outlays will continue to go up from 1987 to 1988. This is incontrovertible evidence in opposition to the notion that the President, and the Administration, has turned its back on the drug war. Outlays will go up from 1986 to 1987 and outlays again will go up from 1987 to 1988. These numbers are in the budget, in the President's budget. It's not something we made up later.

As I just indicated, the total law enforcement personnel in Justice, personnel in Customs and in the Coast Guard devoted to the drug issue, will go up from a little over 26,000 employees to 29,000 from 1986 to 1987 and from 1987 to 1988 again the number of people in the drug area working on this issue, working on enforcement, will go up.

The number of aerostats will go up from 1986 to 1987. These are the balloons used to detect planes coming in. They go from 1986 up to 1987, and 1987 to 1988 and 1989 into 1990; clear indication of our commitment to fighting the war on drugs.

And the shaded area shows the existing stock of aerostats and then the additions that are proposed for each year. Again, a continual rise. Again, incontrovertible evidence against the notion the Administration has abandoned the war on drugs.

Thirdly, the number of flight hours of the U.S. Coast Guard and Customs—these are airplanes that circle around and interdict airplanes that are bringing in drugs—will go up in 1986 to 1987 and from 1987 to 1988.

The U.S. Coast Guard cutters, these are the ships that interdict other ships that bring in drugs, goes up from 1986 to 1987 and again from 1987 to 1988. Incontrovertible evidence against the allegation that the Administration has abandoned the war on drugs.

Now, this other chart is rather difficult to see. The point that I would just like to make is that if you measure in terms of air interdiction, specific assets that are proposed to be used, keeping in mind that you have some change, you bring in more sophisticated aircraft, you phase out less sophisticated aircraft, you can see that they are rising, or at least holding firm, on the number of these aircraft and the resources that are devoted to interdiction. And if you examine those numbers closely, you can see that there are large dollar numbers as you purchase the aircraft, but then the operating expenses of the aircraft are much lower. That is one reason that we can have additional resources out there in the area of air interdiction and also in marine interdiction of drugs, without incurring these additional expenditures.

Again, Mr. Chairman, I want to emphasize, that the amount of hours going in the drug area will go up from 1986 fiscal year to Fiscal Year 1987 and again go up from Fiscal Year 1987 to Fiscal Year 1988 even in the context of the fact that you don't need the additional capital resources such as airplanes and aerostats that you buy in the previous year.

So in conclusion, to reiterate, this Administration is committed to fighting the war on drugs—and winning it. We have not lost our zeal. We have not cut and run. We believe that every dollar that

can be used effectively in the drug effort has been requested in the Fiscal Year 1988 budget.

Mr. Chairman, and members of the committee, this completes my formal statement. I shall be happy now to address any questions you might have.

[Mr. Miller's full statement, and a copy of the charts he referred to, appear on p. 53.]

Mr. RANGEL. Mr. Miller, I think that you are arguing a case that this committee has never attempted to make.

First of all, I have never heard anyone say that the Administration is soft on drugs. We have said, at least I have, that you may have declared war but there is a serious question as to whether or not you're willing to provide the resources.

That doesn't mean, in my opinion, that you aren't spending more now or expect to spend more in 1988 than you did in 1987 and more in 1987 than you did in 1986. That's not the question.

The question that we have with you and the Administration is how you interpret a law that the President signed.

First of all, in order to better understand the Administration's posture, is to determine whether or not we take these things—say, education. Is it not the Administration's position that the education of our children as relates to drug prevention is a local and state issue and not a federal issue?

Mr. MILLER. No. Not at all. We have indicated in so many ways that it is really a partnership. That's what I said in my testimony, that we must work in every facet——

Mr. RANGEL. Let's talk about the partnership. Because we had Secretary Bennett here testifying and he said that the federal policy on education was the zero tolerance. And that is that the schools had to kick them out if they abuse drugs.

We asked well, what about the federal position in helping them after they're kicked out or preventing them from becoming addicted? He said that was a local and state problem, you couldn't throw money at it, not federal dollars, anyway.

Now that, you know, once we passed the law and it was seriously resisted. Now, the question that we have is whether or not the Administration is going to tell us what they disagree with. Take local and state. You were candid on that in saying that you never did support it. I thought—and this is where we differ—when the President signs the law or signs the enactment by the House and Senate, that you don't then determine what you like and what you don't like. The law is the law. We put in $225 million. You just ignored it. You terminated it.

Mr. MILLER. Mr. Chairman, could I respond to that? As you know, that is really not an accurate characterization. When the President signs a piece of legislation, he very often indicates certain misgivings about specific aspects of the legislation and especially, given that a piece of legislation includes provisions that his Administration has opposed all along, it would not be surprising in any way that the next time he has an opportunity to make a proposal before Congress he would suggest making such a change. Keeping in mind that the President's budget is a proposal to Congress, what we have done is proposed changing the law. In every way we have carried out the law. There is no——

Mr. RANGEL. Let's talk about education. You say that it's a partnership.

At what time ever did the Administration ask to put up money to share in the partnership with local and state governments for education?

Mr. MILLER. Well, we do that in a multitude of different facets.

Mr. RANGEL. No, no, no. In education, according to education figures, there was an $18 billion educational budget and according to the differences we had with the Secretary, whether it was $3 million or $6 million, but out of that, a maximum of $6 million was allocated for drug prevention. Is that the partnership?

Mr. MILLER. Well, no. As you know, in the budget, in the drug bill that was passed in December of last year, 1986—excuse me—I guess it was October—there were monies for grants to state and local governments for purposes of education. We have not proposed——

Mr. RANGEL. How much was it?

Mr. MILLER. As I recall, it was $200 million. We had not proposed to rescind that money, but we proposed to——

Mr. RANGEL. That's in the bill that we passed. I'm asking what initiatives did the Administration have in its war against drugs as relates to education?

Mr. MILLER. There's $100 million in the President's budget for Fiscal Year 1987——

Mr. RANGEL. Did not that $100 million come after the House passed its bill?

Someone in the back can help me with this, but it's my understanding when the President met with the leaders of the House and the Senate, he for the first time reported or indicated that he was prepared to support $100 million, but we had in the house bill how much? We had 300——

Mr. MILLER. Well——

Mr. RANGEL [continuing]. And then the President said he would settle for $100 million.

But prior to that time there was no initiative for a partnership in education.

Mr. MILLER. Subject to check, Mr. Chairman, I believe the bill that the President endorsed, the proposal that he sent to Capitol Hill, included $100 million for this purpose for fiscal year 1987. Congress in the bill, in the legislation, provided $200 million. The President's budget proposes to that $200 million for 1987 and to provide $100 million for 1988.

Could I just say, Mr. Chairman, again, drug enforcement, prevention and abuse treatment was a $1 billion program roughly when the President came into office, 1981. By 1986 it was a $2 billion program. The President concluded that we must escalate the war on drugs, and that we would need to spend some more money.

But more importantly, if you go back and listen to the drug address, the anti-drug address the President and First Lady had, from the residence, they talked about involving more institutions and that we should focus our activities on the demand side as well as the supply side. It was not just a matter of more money. But he proposed that another $1 billion be spent, a $3 billion program.

But during the election fervor and a great deal of enthusiasm—I'm not saying it was all just politics—but the program grew to be a $4 billion program in terms of budget authority.

Mr. RANGEL. You say the President had a $3 billion drug program?

Mr. MILLER. Yes. That's the program he sent to Capitol Hill.

Mr. RANGEL. After we passed out House bill.

Mr. MILLER. No, sir. No, sir.

Mr. RANGEL. We have the dates, Mr. Director, and believe me, it was a holding action by the Administration. This committee would have taken any nickel and dime that would have come from the Administration. Take my word for it. Because we're both on the same side. If the President—if Secretary Bennett had said listen, you guys are asking for $300 million but I'm prepared to think that we can do more with $100 million, we would not have had too much of an argument.

The problem, Mr. Director, and I hope some of your staffers would help us out in determining where our differences are, is that the Administration was not asking for anything until the House passed this bill.

As a matter of fact, I would be the first to admit that if the Administration was working with us, we would have had a better bill. Maybe it would not have cost as much. Maybe we could have put less money in one program and more in another. But we didn't get that help.

Let's take Customs. Could you tell me why the Administration—no, before we get to that, the President has a special advisor that really brings all of this together for him. Who is that person, who was that person?

Mr. MILLER. Dr. Macdonald in the White House.

Mr. RANGEL. Who was it before he?

Mr. MILLER. I don't know. The man's name was on the tip of my—yes, Carlton Turner. Excuse me. Dr. Carlton Turner.

Mr. RANGEL. I did that deliberately, because nobody in the House knows who he is. And certainly nobody in the Nation knows who he was. And he was there for six years. I could see why you would forget who he is.

But if we're having a war and he is the special adviser to the President, one might suspect that he is the one that is coordinating this great effort that we're talking about.

I would ask this. When you drafted the budget, did you have an opportunity to talk with the Cabinet Officers on what they thought the needs were?

Mr. MILLER. Mr. Chairman, under the heat of these lights and the intensity of this questioning, I could forget my own mother's name.

Mr. RANGEL. Well, I didn't know the lights were that hot, Mr. Director.

Mr. MILLER. It must be. I'm feeling the heat.

Mr. RANGEL. Believe me, I want you to join the group that has forgotten Carlton Turner. And that's tragic. And the group is going to get larger when people ask well, who in the heck is Dr. Macdonald? But that's okay. Because the First Lady is doing a great job

and no one can deny that the interests of the Administration on drugs, it is there.

But let's talk about the question of Customs.

Did the Administration ever come and ask for more money for Customs before the House bill? Or did in fact they now come and ask to cut 2,000 slots from the bill that we recently passed?

Mr. MILLER. Let me say, first of all, Mr. Chairman, as you probably know, the major vehicle for coordinating the Administration's drug program is the Drug Policy Board which is chaired by the Attorney General——

Mr. RANGEL. I don't care where you start. Let's start with the Attorney General.

Did the Attorney General believe that enforcement of the drug laws, there should be a partnership between local and state law enforcement and the federal law enforcement?

Mr. MILLER. Oh, it not only should be, it is.

Mr. RANGEL. Do they believe that there is a role that should be played by the Federal law enforcement officers?

Mr. MILLER. A role for what?

Mr. RANGEL. I mean, we had not really increased, prior to the time that we passed our bill, the number of DEA agents since 1976, and we got someone here from the DEA office and I don't know whether that's right, you can nod your head if I'm right, that from 1976 to 1986 we have relatively the same number of federal agents. Is that right?

Okay——

Mr. MILLER. I understand that is not true, Mr. Chairman. We'll provide the information for you.

The information follows:

DEPARTMENT OF JUSTICE, DRUG ENFORCEMENT ADMINISTRATION, EMPLOYMENT GROWTH

Year	Total workyears	Percent increase over 1976	Agent workyears	Percent increase over 1976
1976	4,085		2,031	
1986	4,706	15	2,357	16
1987 (est.)	5,149	26	2,585	27
1988 (est.)	5,568	36	2,827	39

Mr. RANGEL. But if indeed the major enforcement was going to be by local and state law enforcement officers, and when I say major, I'm talking about 99 percent of the arrests and convictions that were going to be made by local and state police officers, my question to you is, did the Attorney General ever tell you that he thought the Federal Government should give them any assistance at all, and if so, how much?

Mr. MILLER. Well, we had extensive conversations about, at many levels of government, over the DEA's budget.

Let me just add for the record that I have been told or my staff has affirmed the statement that I have made earlier, and that is that the education proposal for $100 million preceded the passage of the drug bill. I understand it came up in September and the drug bill was passed in October.

Mr. RANGEL. Well, I want you to know, Mr. Miller, that the Secretary was the only Cabinet Officer that I can think that came before this Committee. And he did not need one red cent from the Federal Government to embark on his zero tolerance educational program which basically was to get the deans and the principals to get tough on these rascals and to kick them out of school.

The only program that he had was a red book—what was the name of it? "What Works," that was the Federal program. A red book. And it didn't do well with those people that had reading disabilities. That was the federal program.

Now, where he came up with the $100 million is when the House started moving and we started putting together a bill.

But let's get back to DEA.

Mr. MILLER. Could I respond to that?

Mr. RANGEL. Sure.

Mr. MILLER. I have numbers before me in budget authority since 1981. For DEA it was $219,400,000 in 1981, and the President's budget request for fiscal year 1988 is $522,047,000, which is about—more than a doubling. And I don't have the FTE's, but I understand they are correlated very closely with those numbers.

Mr. RANGEL. What we're talking about is number of agents. And I don't think Jack Warner has ever differed with the facts that we have in this Committee and I have to admit that in 1986, they dramatically increased.

But to get back to what we are talking about in education, now that you think that's a partnership, you don't really believe that the Federal Government should give any financial assistance to local and state law enforcement?

Mr. MILLER. Can I again respond to the DEA problem?

It went to $327,800,000 in 1984 again versus $219,400,000 in 1981. So I mean there was rather rapid run-up in the total funding for DEA, the Drug Enforcement Administration.

Again, to have a partnership does not mean that one partner finances the other. We have close coordination. We always have. We are working to make that coordination closer. We have a number of areas in which the Federal Government funds programs that state and local governments put on. The many block programs can be used for drug treatment, drug abuse issues. Some of the education programs——

Mr. RANGEL. Well, those are the differences that we're having. We don't have any problems with your charts. We have a problem with whether or not the Administration is resisting the thrust of the recently passed bill. My last question before I yield to my colleagues is that if you agree with the State Department that every narcotic producing country is going to have bumper crops, why would you recommend a $20 million cut in the funds for the international narcotics unit of the State Department?

Mr. MILLER. Well, keep in mind that there was a dramatic runup in 1987 so it's a cutback from the level of 1987——

Mr. RANGEL. And there was a dramatic runup in the amount of drugs that were being produced, and a dramatic in countries being virtually taken over by drug traffickers and terrorists in Colombia and Peru and Bolivia, they have economic, political, judicial problems, and the State Department, under your budget, instead of

being beefed up to deal with some of these things, you have in your budget a reduction for $20 million. And this is where one of the major battlefronts should be.

Mr. MILLER. Well, one reason it's low is that there are aircraft purchases in 1987 that may not be repeated in 1988. Let me go back, and let me say also——

Mr. RANGEL. When you start talking about one time purchases, we've got people that have served well in these countries and if they tell us it's difficult to locate the crops, it's difficult to locate the labs, that we need equipment to go out there, and you make the determination that you only have to do it once and then when you do it the next year you don't need more equipment, we thought for a war you didn't say that you got to get tanks and planes in fiscal 1987 and once you buy them for 1987 you don't need any more for the war in 1988 because all you have to do is keep these maintained. We thought a war is a war. Who asked you, who told you that this would be a sufficient amount of resources to fight the war? Was it the State Department; was it the DEA; was it Customs who said hold it, Congress has given us more than we can use? Did Customs say give us a 2,000 man cut because the Congress is overgenerous? Did the State Department come—who did you talk with in State about what they needed?

Mr. MILLER. We talked with a lot of people. Mr. Chairman, I'd like an opportunity to respond to the questions and the issues that you have raised.

With respect to state and local governments, as you know, we share the proceeds of seized and forfeited assets, we have a significant amount of federal training of state and local police. FBI engages in conducting fingerprint checks and records for state and local government.

As to the question of putting together the budget, you know the answer to that, Mr. Chairman. The cycle is one that is very predictable, year in, year out from one Administration to another, and that is: the agencies propose their budgets, there is discussion with the Office of Management and Budget——

Mr. RANGEL. I seriously doubt whether——

Mr. MILLER. Could I just finish my answer, Mr. Chairman?

There is back and forth and disagreements between OMB and the agencies, resolved ultimately by the President.

But in the drug area, we have something layered on that is quite different than any other area. And what we have there is the Drug Enforcement Policy Board. And that organization reviewed all of the budget information pulled together from the various agencies, and looked at the way we could best allocate resources for the war on drugs. It was not just an agency versus OMB kind of discussion. It was a much broader discussion.

Mr. RANGEL. All I'm asking is who participated in the discussion.

Mr. MILLER. Well, who participate in the discussion would be the Departments of the Treasury——

Mr. RANGEL. I'm not talking about departments. You know, if you had a war against communists, you would not be throwing a budget at Caspar Weinberger. He would be throwing his budget at you. And then we'd get the resources to fight the war. What I'm asking is this, which is a very, very political question. I'm asking

whether you know the names of the people that are supposed to be in charge of this war.

In the State Department as an example, who is in charge of the war against drugs in the State Department?

Mr. MILLER. Let me see if I can pass this test. The Secretary of Treasury is Jim Baker; the Secretary of Defense is Caspar Weinberger; there is no permanent Director of the Central Intelligence Agency at the moment; the Secretary of State is George Shultz, the Secretary of HHS is Otis Bowen; the Secretary of Transportation is Elizabeth Dole; and the Attorney General is Ed Meese.

Mr. RANGEL. You got 100. 100 percent. My question is, have you discussed your budget as it relates to narcotics with any of these people?

Mr. MILLER. Absolutely, Mr. Chairman. I'm surprised that didn't—perhaps I'm not sufficiently articulate—that each of these——

Mr. RANGEL. First of all—first of all, you've never even read a statement from Secretary Shultz on drugs. And Secretary Dole's budget on drugs hasn't even been in front of this committee. And if you're talking about Secretary Bennett, he said he didn't want any money. And if you're talking about Ann Wrobleski, that's the woman that's supposed to be in charge of the State Department's budget here. Did you talk with von Raab and he tells you that he can stand a 2,000 man hit on the borders?

Mr. MILLER. Mr. Chairman, if you would give me an opportunity to respond and not make allegations about events that you could not possibly know unless you had the data before you, and I don't think that data is readily available. I can go back and obtain the list, the signature list that goes around the table at every Drug Policy Board meeting of who was attending.

On occasion, Secretary Baker would not be there, but Deputy Secretary Darman would be there.

I have never seen Mr. von Raab represent the Department of the Treasury at that meeting. I cannot tell you that any particular meeting, were there 100 percent of the Cabinet Secretaries at that meeting.

Mr. RANGEL. I'm not talking about the meeting. I'm talking about your budget.

Mr. MILLER. Could I respond, Mr. Chairman?

I indicated to you that the Drug Policy Board reviewed the drug budgets of all the agencies before they were put in the budget. And it was discussed at considerable length and there were discussions about relative resource allocation among the various agencies in addressing the drug problem, and it has been, it was something frankly that was not last minute; it was carried out over a period of several months.

Now, you could deny that. But it was there.

Mr. RANGEL. Are you saying that you discussed the President's budget and the Cabinet Officers that you named discussed their budget needs and then collectively you agreed on what came back to us in terms of what is called the President's budget, the Secretaries and you discussed what their needs were overseas in fighting these terrorists and these drug producers and then they agreed it

was in the national interest to reduct it $20 million, that that's what Secretary Shultz told you?

Mr. MILLER. Well, what we did is, we had the agencies' proposals and we had the OMB proposed passback. The Drug Policy Board was made aware of these numbers, and the differences among them were discussed quite openly.

Now, that is——

Mr. RANGEL. Didn't discuss it with them, though.

Mr. MILLER. Well, Mr. Chairman, I am trying to answer. We do not in every case take an organization, any kind of generic issue and have a separate organization to make that kind of decision. We do in the case of drugs. And I think this system has performed very well. And the Attorney General has been very supportive. I mean, I admire his leadership in this effort.

These were reviewed and they were also reviewed by the President.

Mr. RANGEL. It doesn't appear as though I'm trying to help you, and I really am. I'm trying to really find out whether or not the Attorney General told you that he didn't think that local and state law enforcement people needed to have $225 million in 1988 and that he recommended or he shared with your recommendation that you eliminate it. That's all I'm asking. Is that——

Mr. MILLER. Well——

Mr. RANGEL. I'm putting it at the Attorney General's feet, not yours. You're not in charge of drug policy.

Mr. MILLER. Well, I mean, I did not sit down with George Shultz, although I talked with him among other occasions at breakfast on Tuesdays. Usually we have breakfast together.

Mr. RANGEL. Well, that's nice to know, Mr. Miller. But I'm not really saying you don't see these people. I'm trying to find out how these decisions were made in the President's budget.

Mr. MILLER. Within the confines of as much time as I've had to be able to respond, I think I have answered that question.

Mr. RANGEL. Mr. Ortiz.

Mr. ORTIZ. Thank you, Mr. Chairman.

I was very concerned when the Administration decided to cut $225 million in state and local drug enforcement grants. I represent a border district. And when we talk about partnership, we have had local officials in the border areas that have been fighting this war on their own. And you know the economy in Texas at this point because of the oil and the energy crisis that we have—in fact, we have cities that are having to cut personnel. And we had hearings sometime back, Mr. Director, in which the local law enforcement officials were very, very happy to see that the Administration and the Congress were going out on a limb and helping them out with some funding. And then all of a sudden, you know, there is no funding available. They're fighting this war on their own. And this is good to have all these aerostats flying up in the air, but who are we going to have down on Earth to arrest these people that are trafficking in drugs?

And this is very, very serious in those areas. And we have a 1,200 mile border. And all the cities along the border are having financial problems. The devaluation of the peso has hurt the economy. The budgets are very, very low. They don't have the money to

pay police officers. And this happens to be one of the most serious problems that we have. What are we going to do to help, to be a partnership, in partnership with these local officials? What are we going to do now?

Mr. MILLER. Well, let me say, Congressman, I am quite aware of the situation in Texas. I was just down to the state a few weeks ago and discussed issues with people and am quite aware of the adverse consequences on the state, because of the reduction in oil prices.

As you know, the reduction in oil prices has been a great boon to the rest of the country but in certain areas it has been a real problem.

As you know, with the Southwest border operation, there are very large amounts of Federal Government resources going into that area, not only for aerostats, but there will be these C3I centers, although we disagree with Congress in one respect—why we want to have a center in Oklahoma City is beyond me. That is not where people are coming in. But there are a great many resources being sent to the Southwest Border under the initiative of the Federal Government.

We of course are very glad about local participation and enthusiasm with this war on drugs, but we are trying to do it in such a way as to take advantage of the best that both levels of government can offer.

Mr. ORTIZ. You know, and I can understand, Mr. Director, that I appreciate the fact that we do have two aircraft based in my district, which is Corpus Christi, Texas. We appreciate that. That's 120 some odd miles from the border.

But again, when I talk to police chiefs in my district, who border, you know, cities that border Mexico, they just don't have the manpower, they don't have the budget, they don't have the tax base. They had hopes that they would be receiving some type of assistance from the Federal Government. And the Chairman and I, we've had some hearings in Brownsville, Texas; we've had hearings in Corpus Christi. And then all of a sudden, I'm going to go back and say I'm sorry but there is no way we can help you.

They are fighting an international war, for the rest of the country, with local funding from the local government. And they cannot continue to do this.

And this is fine, like I said; we appreciate the fact that we do have aircraft. But we don't have the people to do the undercover buys. DEA only has in that area three or four officers in that area. I was a sheriff before I became a Congressman. The problem is very, very serious. We need to do something to help local law enforcement officials work in a partnership like you stated. But it's not there anymore.

Mr. MILLER. Well, Congressman, one of the things that bothers us a little bit about this state and local grant is it goes out according to formula; it's not directed to those areas that need it the most, like the Southwest.

But we are, as I indicated, in the President's budget, of course, spending a vast amount of resources along the Southwest and Southeast borders.

Mr. ORTIZ. Yes, and as I stated, we've had hearings and hearings and hearings, and we have local officials come before this commit-

tee and over and over again, it's repeated again, we cannot fight at the local level an international war with local funding. Maybe we need to look at other avenues to support local law enforcement officials. They don't have the people. They don't have the manpower. They don't have the technology available.

They are very dependent on DEA and some other agencies. It comes to the point where they don't have the equipment either. It's a war that we need to continue and we need to provide the funding.

Mr. MILLER. Well, I daresay that probably local law enforcement in Corpus Christi and other areas in the Southwest Border spend a larger proportion of their enforcement resources on drugs than say the City of New York or some other cities where there are drug problems but yet not the same rate of flow across the borders.

Mr. ORTIZ. But then it gets to the point when they do that, and I agree with you, Mr. Director, when there are burglaries, they don't respond to that. And I think the burglaries and drug addiction are related, one to another. We get complaints now that local law enforcement officials do not answer burglary calls any more because they're tied up fighting something else or even stolen cars or even any other call, because they are busy doing something else. They do need help, and I hope that you can be in a position, and I think you can, to help the local law enforcement officials so I can go back to the mayors of my cities and the police chiefs and tell them we want to work with you at the Federal level, we are your partners and we're going to help you out.

Mr. MILLER. You know, Congressman, I wonder if we ought to take a look at the way the money is, the state and local money grants would be spent and see if we might adjust the formulas to give more in your areas and less to some others where drug enforcement is not as big a problem. At least that is something we ought to take a look at.

Mr. ORTIZ. Houston is removed by at least 300 miles from the border. It's a port city. They do get a lot of traffic.

If the economy does not get any better, they are going to have to lay off over 600 police officers in the City of Houston. So I am imploring, I need your help; we need your help. We want to work with you.

Thank you, Mr. Chairman.

Mr. RANGEL. You know, Mr. Miller, what you said is maybe we should take another look at the formula, maybe there is a better way to do it.

I couldn't agree with you more. But if basically the Administration says that it's your view that programs which primarily benefit the local community—and we're talking about drugs that aren't grown in the community and not processed in the community—should in most cases be paid for by that community, where can we establish a dialogue so that we can follow the recommendations of the Attorney General?

You're saying that it's a local problem. That's why we can't agree on the formulas.

Mr. MILLER. No, Mr. Chairman. At one extreme you federalize all law enforcement. That's one extreme. And the other extreme is you have absolutely no cooperation.

Now, as I've testified here and I think the numbers speak to it and the testimony of others probably as well, is there is a closer cooperation between state, local, federal law enforcement officials, and there are grants, there is the distribution of funds from the Federal Government to State and local governments that can be used for law enforcement purposes, specifically for drug enforcement purposes.

So it's not——

Mr. RANGEL. The recently passed bill.

Mr. MILLER. It's also under the President's FY 1988 budget proposal.

Mr. RANGEL. Okay. It's not for 1988.

Mr. MILLER. Yes. Because the funds for the 1987 budget authority will be spent out in Fiscal Year's 1987, 1988 and 1989. Keep in mind budget authority is the money you put in the bank and outlays are when you write the checks.

Mr. RANGEL. Well, I thought that for state and local law enforcement, you said that's a one shot deal for $225 million, they get nothing in 1988. For drug treatment you took our money for 1987 which was $262 million and that's what we had for 1987, you stretched that out for a two-year period. Our education money where we had $250 million for 1988, you dropped that to $100 million.

Mr. MILLER. You're talking about budget authority, I think.

Mr. RANGEL. Yes. I'm talking about budget authority under our bill. And then you come back and you say we're spending more now than we did in 1985 or spending more than we did in 1986. We're not arguing with you about that. We are arguing whether or not the President, and I have to pick my words very carefully, but the President has changed his views, or differs with the Congress as relates to the funding level of our legislation.

Mr. MILLER. Mr. Chairman, you just put your finger on it.

Mr. RANGEL. OK.

Mr. MILLER. The President, as I started explaining at one time and didn't get the chance to finish, it was a billion dollar program in 1981. It was a $2 billion program in 1986. The President proposed it be a $3 billion program. But yet Congress passed a $4 billion program. Don't be surprised if the President, who thought that $3 billion, not $4 billion, was the appropriate amount to spend, comes in with an FY 1988 budget where he proposes to take some of that budget authority and spread it out over the next couple of years but to come in with a $3 billion budget authority for fiscal year 1988 and for the out years. The President has not changed his position at all. What he has done is try to accommodate the extra that the Congress added to his proposal in fiscal year 1987 and spend that money in the most efficacious way.

Mr. RANGEL. Well, I don't want to have any problems with you any more, so I want to ask, who do I go to, before I meet up with you next year to find out what the needs are?

Now, Carlton Turner is not there. Do I see Dr. Macdonald and ask him about the needs or do I go and ask for the Attorney General, or in the State Department, could you tell me who you work closely with with the budget, you know? I just have to find out who really knows what they think that we need.

Miss, why don't you just come right up to the table and it's okay, just come right up to the table here.

Mr. MILLER. Well, I do not usually have Associate Directors testify. What we have, I'll be glad to supply you with, is information on all our contacts at the various agencies.

As you know, budgeting is a matter that there is a constant stream of communication at various levels of government, but we also talk to the top levels of government, the Cabinet Secretaries.

So it's a process of communicating a lot between the agencies. There's not just sort of one person that has the final sayso. I mean, various people report up to the Cabinet Secretaries.

Mr. RANGEL. We would have a responsibility to see whether or not some of these programs are working, whether or not the money is being used, whether they have too little money for one program, or too much for the other program.

I mean, we can't get the attorney general, we can't get the Secretary of Education.

So I just would want to know so that we don't come up with these figures. You know, we made up most of our figures the same way the Administration made up theirs. Now, we want to find out what works. You say that the Secretary of Education wants $100 million. Well, that may be enough. I don't know. But it certainly wasn't what we thought. How would we know?

Let me tell you, you did a great job with the budget, but don't say that anyone says the President is soft on drugs or that the Administration is soft on drugs. The problem is whether or not we agree on the appropriate amount of monies that's necessary to conduct the war. It's a serious disagreement.

Mr. MILLER. Yes, sir.

Mr. RANGEL. Let me thank you for your patience with me. And I hope to be working with you more closely during the next year.

Mr. MILLER. Thank you for your patience with me, Chairman. We shall work together.

Mr. RANGEL. Thank you.

Mr. Dion, I don't want you to believe that because we don't have the Secretary of State that we don't appreciate your expertise in this matter.

As a matter of fact, while we miss Assistant Secretary Wrobleski, we still are appreciative that you are here with us. And even if Elliott Abrams has other things to do, the fact is that we need somebody here from the State Department to help us out.

And I have to tell you how good it is to see Caesar Banall back here in Washington, and thank him for the great job that he was doing in Colombia. The Ranking Member and I just left Colombia where we had the opportunity to have accompany our trip Ms. Sue Patterson from the State Department.

I see, Mr. Dion, that you two are in the same shop.

Mr. DION. Yes, sir.

Mr. RANGEL. And I hope that she had an opportunity to share with you the serious situation that exists there in Colombia.

But your full statement will be entered into the record without objections, and you may proceed. We seriously welcome the expertise that you bring to our hearings. Thank you.

TESTIMONY OF JERROLD MARK DION, DEPUTY ASSISTANT SECRETARY, BUREAU OF INTERNATIONAL NARCOTICS MATTERS, DEPARTMENT OF STATE

Mr. DION. Thank you, sir. Mr. Chairman, Congressmen, my testimony reflects our understanding that today's hearing constitutes the annual appropriation hearing for our Bureau, and also affords members of the subcommittee an opportunity to discuss the International Narcotics Control Strategy Report which was submitted to the Congress on March 2.

This report is the first under the new procedures created by Public Law 99-570, the Anti-Drug Abuse Act of 1986.

On the basis of our report, President Reagan has certified the Bahamas, Belize, Bolivia, Brazil, Burma, Colombia, Ecuador, Hong Kong, India, Jamaica, Malaysia, Mexico, Morocco, Nigeria, Pakistan, Panama, Paraguay, Peru and Thailand, as cooperating with the United States, or having taken adequate steps on their own, in controlling production, trafficking or money laundering.

The President also certified Laos and Lebanon on grounds of vital national interest. The President withheld certification from Afghanistan, Iran and Syria.

Mr. RANGEL. Afghanistan?

Mr. DION. Yes, sir.

We believe this process has genuine merit. But our first year experience suggests the need for changes. The Department has suggested several amendments which are summarized in our prepared statement.

We have received numerous inquiries from Congress concerning our recommendations to the President and the President's decisions on certification. Much of that discussion focuses on interpretations of full cooperation. The legal requirement is to certify cooperation, not success.

As we explained in the INCSR, any assessment of a country's performance must be based upon a concept of variability.

Section 481 has appropriately recognized since 1983 that our analysis should include the social, political, economic, geographic and climatic factors that affect illicit drug production.

We have applied those factors to our consideration of what a country was asked to do and what realistic capability it had to do it. The fact is that countries are at different states of preparedness and capability to address narcotics production and trafficking.

The nature of narcotics enterprise is illegal. We are dealing with an international criminal enterprise.

The production, cultivation and harvesting of illicit narcotics is not comparable to efforts to regulate sugar or grain production or imports.

You cannot set quotas to dictate annual reductions or percentages or the like. In the long run, there is no alternative to outright bans on cultivation, accompanied by eradication with sufficient interdiction and enforcement capability to seize contraband and financial assets and to arrest and prosecute major traffickers. This is a complex, arduous, and even hazardous undertaking. And we're better at it than we were in 1981 or 1985 and we think we're getting better at it all the time.

While it is undeniable that worldwide production is up, our report estimates that heroin imports remain at the six to seven metric ton level in 1986. No estimate has been made yet of cocaine but our analysts agree that any increase in 1986 would have been demonstrably less than the increase in coca leaf production.

We estimate that marijuana imports rose less than 1,000 tons.

The data highlight how U.S. assisted and independent country programs acted as constraining factors on efforts to expand production. This includes a significant expansion of crop control programs in 1986 by 20 countries whose production ranges from minor to major significant to the United States.

This list includes 14 countries with eradication programs supported financially by the United States. That is up from just two programs in 1981.

These 20 countries destroyed the equivalent of 15 metric tons of heroin, 30,000 metric tons of marijuana, and 10 tons of cocaine.

Non-U.S. seizures drive these totals higher. INCSR tables show that seven countries seized a combined 690 metric tons of opium while six countries seized 15,490 metric tons of coca leaf and 17 countries seized 2,350 metric tons of cannabis.

These crop control numbers, however, do not yet equate with success, because success means reducing the availability of imported drugs within the United States.

Sustained by uniform reductions in the major source countries, objectives within reach for marijuana, are still beyond our grasp for heroin and cocaine.

These numbers do show the United States and cooperating governments have extended eradication programming into all of the major source countries to which the United States has access.

The experiences of 1986 confirm that we must maintain our program effort and be prepared to expand in the years to come. Much of that expansion must come at the multilateral level through increased contributions from other donor nations. The market is just too lucrative and worldwide demand is so high that there is no realistic expectation that traffickers will go quietly or quickly. The attempts made in 1986 to outpace eradication campaigns in Latin America and Asia convince us that traffickers will plant and replant until they know that eradication is not a one or two-year phenomenon but a permanent part of the enforcement program of every source country. Jamaica is a perfect example. The government tripled the scope of its eradication program but marijuana production doubled. We have to be prepared to stay the course.

The 1988 budget before you continues a program of expansion of this year and our goals reflect the reality of our situation.

We look forward to a new coca eradication program in Bolivia as well as expanded coca reduction programs in Colombia and Peru.

Continued improvements in opium and marijuana eradication in Mexico, new herbicide spraying programs in Jamaica and Pakistan, intensification of the opium spraying program in Burma, and more progress in the excellent marijuana destruction program in Colombia and the opium destruction program in Thailand; and in every source and transit country, more emphasis on interdiction and other enforcement programs that concentrate on seizing contra-

band, financial assets and the arrest and prosecution of major traffickers.

Thank you, Mr. Chairman.

[Mr. Dion's full written statement appears on p. 66.]

Mr. RANGEL. Let me thank you. The last time you were here, I asked a question, and that is, when is the last time that you know that the Secretary of State has made a public statement as relates to international drug trafficking? Because I keep missing him. Everyone tells me he's always talking about it and it is certainly not reported in the papers. But maybe you're a little closer to him. When is the last major address on narcotics that the Secretary addressed himself to that you know of?

Mr. DION. As recently as last November when the President convened our Ambassadors for a meeting and in which the Secretary took a very active part. That was a meeting at the White House of U.S. Ambassadors from 20 major producing, transit and consuming countries——

Mr. RANGEL. Oh, I heard he was very, very effective at that. As a matter of fact, this committee had encouraged that for a long time. But what I was talking about is that the Secretary really insights Americans as to what our foreign policy is on terrorism, on communism, on a variety of subjects, as he should.

And I've never heard him speak to this on television ever or to give an address that would be reported by any of the newscasters, and the meeting you're talking about was more or less an in-house thing with foreign ministers. But in terms of speaking out on this, were there any speeches in the last couple of years, or——

Mr. DION. There was a major speech in Miami I think, as you're aware, Mr. Chairman, in 1986——

Mr. RANGEL. Was that around October, just before the election?

Mr. DION. I'm not certain of the date sir.

Mr. RANGEL. In front of a Cuban American audience?

Mr. DION. I think that may have been the context, sir. There was another speech in Sacramento, California, as I recall in 1987.

Mr. RANGEL. But in the six years we're talking about two major speeches dealing with drugs?

Mr. DION. Well, my memory doesn't go back before 1985 sir, so I——

Mr. RANGEL. What I'm trying to do is to find out what is the strategy and what is the policy. Now, Ben Gilman and I just left Colombia. We spoke with the President, we spoke with their legislators. It's our understanding that one, there is going to be a bumper crop of coca leaf production coming outside of Colombia and Peru and Bolivia, that the processing of the coca leaf is taking place in territories that are held by some organization called the FARQ, which are rebels and drug traffickers, that no courts are processing any cases dealing with drug traffic, and no civilian courts, that the military's ability to try narcotic cases has been struck down by the Supreme Court, and that the extradition treaties that we had successfully used most recently has been struck down by the Colombian Supreme Court.

Having stated that, what is our strategy to deal with the sharp increase that we expect of cocaine coming from Colombia into the United States?

Mr. DION. Well, I would say first, Mr. Chairman, that Colombia, as you are well aware from the security for your visit, is experiencing severe threats both from terrorists and from narcotics traffickers, who have assassinated a large number of high officials and prominent citizens, including newspaper editors, but especially judges.

In fact, something like half of all the Supreme Court Justices of Colombia have been assassinated in the last few years. I think that there have been several recent developments in the judicial process in Colombia. The Supreme Court has attempted to declare unconstitutional the extradition treaty with the United States. We are in very close contact with the Colombian Government on extradition. We have had a legal consultation team there within the last several weeks from the Justice——

Mr. RANGEL. Where did the team come from?

Mr. DION. From the Department of Justice and from the State Department Legal Division, sir.

Mr. RANGEL. Who is in charge of the team?

Mr. DION. Mary Mochary, the Assistant Legal Adviser of the Department of State.

Mr. RANGEL. I'm trying to figure out who is really in charge of these overall policy decisions. Does Elliott Abrams have anything to do with these policy State Department decisions that relates to Peru, Bolivia and Colombia?

Mr. DION. Absolutely. He's in charge of——

Mr. RANGEL. Does Ann Wrobleski have anything to do——

Mr. DION. Ann Wrobleski is in charge of narcotics policy for the Department of State.

Mr. RANGEL. Are they together?

Mr. DION. Yes, sir, in fact, they're together this morning at the Senate Foreign Relations Committee where they are testifying jointly.

Mr. RANGEL. Well, does the Secretary of State, is he involved in any of these discussions at all?

Mr. DION. Yes, sir. He's a statutory member of the National Drug Policy Board to which Mr. Miller made several references and has attended a number of meetings of the Board. Mr. Whitehead, the Deputy Secretary of State, has also attended a number of meetings.

Mr. RANGEL. How many meetings have you had with the Secretary in the last six years, on the drug situation?

Mr. DION. Well, I personally have attended four briefings by Jon Thomas or by Ann Wrobleski, for the Secretary of State, private briefings on our budget, on our policies, on developments——

Mr. RANGEL. How often does the Secretary meet with Elliott Abrams and Ms. Wrobleski on the drug problem?

Mr. DION. I would not be able to say how often he meets with Elliott Abrams, but I can say that either the Secretary himself or the Deputy Secretary meets with Ms. Wrobleski at least once a month, and that she meets with the Under Secretary for Political Affairs, Mr. Armacost, once a week.

Mr. RANGEL. Well, I understand that there's a request in the State Department from the Bolivian, at least we met with the President of the Parliament there, the Congress, and they're

asking for $2,000 per hectare for farmers not to grow coca leaves. And that request is in your shop. I don't know which part of your shop. Are you familiar with that?

Mr. DION. Yes, sir, I am. This has been the subject of a lengthy negotiation with the Bolivian Government.

Mr. RANGEL. What's the status of the negotiations?

Mr. DION. That we have signed an overall agreement with Bolivia for an eradication program. There are two annexes still to be negotiated and signed. We expect them to be finished within 45 to 60 days. Altogether, ample U.S. funding would provided for the beginning of a major eradication effort in Bolivia.

Mr. RANGEL. What is the formula?

Mr. DION. The formula is that in the first year of voluntary eradication, the Bolivian Government will seek to eradicate at least 1,800 hectares of coca. In the process, funds would be advanced by the United States Government and by international donors, perhaps through the U.N. Fund for Drug Abuse Control, to help to tide the Bolivian farmers through a year as they turn to other legal crops.

Mr. RANGEL. What would be the U.S. contribution?

Mr. DION. The U.S. contribution would be approximately $100 million.

Mr. RANGEL. I thought it was more than that.

Mr. DION. Perhaps up to $110 million. The argument that we have had in the negotiation has been over the provision of cash to Bolivian farmers as part of this process. There was a protracted debate over cash payments. It was rejected by the United States Government. INM will pay eradication labor costs in Bolivia, but we will not make cash payments to Bolivian farmers. Our assistance overall would be through the U.S. Agency for International Development in the form of equipment, seeds, fertilizer, and so forth, provided to farmers who destroy coca fields and turn to other crops. But cash will not be provided.

Mr. RANGEL. Is there a per hectare dollar amount that is going to be attributed to this effort?

Mr. DION. The overall figure Bolivia cited was that it would require approximately $2,000 per hectare for the farmers to be turned from coca production to a legal crop.

The International Narcotics Matters Bureau of the Department of State is able to pay around $350 to compensate for labor costs for destruction of coca. However, we are not permitted to pay cash for compensation.

Mr. RANGEL. Well, it's my understanding that unless the cash is given, that the Bolivian Parliament is not going to ban the growing of coca leaf. Is that your understanding? That this was a part of a package?

Mr. DION. That is not our understanding, sir. There was an attempt to create a package in which cash was the essential element. In the end, the Bolivian Government agreed that the $2,000 figure could include non-cash payments in the form of commodities, fertilizer and so forth. It was with this understanding that the overall agreement was signed.

Mr. RANGEL. Well, you should know that Ms. Patterson attended a meeting with the Bolivian President of Congress and he said that that was unacceptable. But we'll see.

Does the State Department have any comments to make on the Senate action as it relates to the decertification of the Bahamas, Mexico and the Government of Panama?

Mr. DION. That is indeed what is underway right now before the Senate Foreign Relations Committee. Ms. Wrobleski and Elliott Abrams are testifying there about certification.

I would be happy to give you some of the points they are probably making, if you would like me to, or we could send it to you in writing.

Mr. RANGEL. Well, I assume that you sent to the President, sir, the recommendations that these countries be certified?

Mr. DION. Yes, sir.

Mr. RANGEL. Could you just tell me, as my last question, what is the thinking of the State Department when it recommends that Afghanistan, Iran and Syria be decertified? Were they ever certified?

Mr. DION. No, sir, but they are on the list which we proposed of major producing, trafficking, money-laundering countries.

Mr. RANGEL. What's the impact of decertifying Iran?

Mr. DION. I think it's a sanction against them before the world and their own public. I don't think it has any material effect, since there is no assistance relationship between the United States and any of these countries.

Mr. RANGEL. There is no relationship with Afghanistan or Syria, any assistance relationship?

Mr. DION. No, sir.

Mr. RANGEL. Thank you. Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman. Mr. Dion, we welcome you before the committee.

Mr. DION. Thank you, sir.

Mr. GILMAN. And you started to tell us what some of the responses were to the decertification of Bahamas, Panama and Mexico.

Could you just strictly summarize why we should not decertify those countries?

Mr. DION. Yes, sir. I think I could start with Mexico, which has the most important country program under review. The Mexican Government has made a major effort in the last year to increase its program of eradication and improve the efficiency of its eradication efforts. As you are well aware, Mexico has some 88 aircraft that were provided mainly by the United States, and are used in the aerial eradication against marijuana and opium poppy. Last year they increased poppy eradication from 2,297 hectares to 2,383 hectares. They increased marijuana eradication from 1,738 to 2,973 hectares. They have also agreed to an independent evaluation of the aircraft program and the air fleet operations. They have improved seizures of drugs within Mexico, especially of cocaine which is coming through Mexico on its way from South America to the United States. They have negotiated a mutual legal assistance treaty with the United States which is now before the Mexican Senate. They also sharply increased the budget of the Mexican Attorney General's office, which is responsible for the eradication

program. And they have agreed to a number of operational improvements that we suggested in the course of some four meetings held between the Attorneys General of the United States and Mexico.

Mr. GILMAN. Well, if I might interrupt you, is it true that they have cut off our observation teams that have been going out or reduced the efficacy of those observations teams?

Mr. DION. No, sir. Those teams are still flying around, verifying the eradication of crops. There was some problem in the late fall over the aircraft they were using. The allegation was that there were insufficient spare parts and maintenance to keep these aircraft flying. But that problem has been resolved and the Vanguard Program, as it is called, staffed by the Drug Enforcement Administration, is still underway.

Mr. GILMAN. So there is no problem then in our observation and verification of the effort by the—by our DEA people of their narcotics eradication program?

Mr. DION. My understanding, sir, is that the Vanguard Program is highly successful, according to the reports from the DEA. There was, as I said, a problem over the aircraft being airworthy for a brief period, but that has been resolved.

Mr. GILMAN. And what about the Camarena investigation and the investigation of the other agent that had been tortured down there?

Mr. DION. Sir, those investigations continue. I think we would have to say that it has been one of the major disappointments in our relations with Mexico on the narcotics issue this year because there have been no convictions.

However, I am informed that a major suspect in the Camarena case was arrested yesterday in Mexico and is presently under detention.

So we may see progress soon.

Mr. GILMAN. It's been over two years now since the other defendants——

Mr. DION. And in the Cortez case, it's been more than one year, sir.

Mr. GILMAN. Do we have any commitment that they will expedite the process?

Mr. DION. Yes, sir, we have assurances from them that their legal process is underway and that those who have been arrested and charged will be brought to justice.

But it's been a slow process.

Mr. GILMAN. What about the eradication program? Has it produced more results than in the past? What's the bottom line?

Mr. DION. Well, sir, I read you a number of statistics. I think that there was encouraging progress last year. I don't think that the program has come back to the level that it attained in the 1970's or in the early 1980's but we are hopeful that the changes in procedure that we're presently taking and that the Mexican Government is cooperating to implement will bring about greater success next year.

Mr. GILMAN. What about the shipments of product from Mexico to the United States? What's the bottom line? Has that increased or decreased?

Mr. DION. I would have to get the precise statistics from the DEA which conducts the——

Mr. GILMAN. Your recollection, has it gone up or down?

Mr. DION. I think that seizures of Mexican drugs in the United States, especially of black tar heroin, have increased.

Mr. GILMAN. Have increased?

Mr. DION. Yes, sir.

I couldn't give you the precise figure, but we can provide it later.

Mr. GILMAN. So essentially then, we're not making much of a dent then in Mexico, despite all of the dollars that are being utilized?

Mr. DION. I think I would want to state that another way. In other words, if we were not making the major effort we're making, and the Mexican Government was not making the major effort it is, then I think that the amount of drugs available to come to the United States or to go elsewhere would be much greater.

Mr. GILMAN. We're sort of keeping the status quo but not moving ahead?

Mr. DION. I think the problem is that planting is increasing. And while we are increasing the amount that is eradicated, it doesn't reach the level that is being planted and harvested. I think that a greater dent can be made by more efficient use of equipment and resources that are available. And that is the major thrust of our program. Our program has increased in sheer size from around $10 million a year to around $16 million thanks to the Anti-Drug Abuse Act of 1986.

Mr. GILMAN. So we're spending $16 million this coming year which is about $6 million more than last year.

Mr. DION. Yes, sir.

Mr. GILMAN. And we'll have an additional amount of crop that, of production that will be finding its way into the United States over last year?

Mr. DION. I'm not certain that you could project precisely but as more crops are eradicated, the traffickers will encourage the farmers to plant more. More irrigation is being used, for instance, and crops are grown throughout the year now rather than in one season or two seasons.

Mr. GILMAN. Well, they certainly don't plan to eradicate all of the crop, do they, this coming year?

Mr. DION. Well, I don't think that that's attainable. But I think that they are going to make a major effort to take out more of the crop than they did this year, as they did this year over last year.

Mr. GILMAN. I'm looking at your Bureau's report for March of 1987 and you expect a net yield of 20 to 30 metric tons of opium for this coming year, which is a substantial increase over last year, is it not?

Mr. DION. I don't think it is a substantial increase over last year, no, sir. It was between 25 and 30 metric tons last year. The dramatic change came when eradication in Mexico dropped from 60 metric tons in the mid 1970's to around 10 metric tons by 1981. Since 1984, we've seen that figure triple. That I think has been the problem over the last several years. There has been a large increase in recent years but nothing like the levels that were reached in the 1970's.

Mr. GILMAN. You're roughly talking at least 10 metric tons more of production in 1987 than in, back in the 1984 period, and almost as much as last year if not more than last year.

Mr. DION. Yes, sir. I said I think it is more than last year, but not a dramatic increase.

Mr. GILMAN. What should we be doing to start decreasing the production, since Mexico is still a major supplier of opium that comes into the United States?

Mr. DION. That's right, sir. In the last 18 months, we have carried on a lengthy series of negotiations with the Mexican authorities, especially through the meetings of the attorneys general. And the Mexican Government has cooperated on almost every single suggestion that we've made, especially the efficient use of the air fleet, the greater financial contribution they are making to the program, the spraying of opium at all stages of the crop rather than waiting for it to flower and so forth. About six or eight specific suggestions have been made, all of which they have adopted.

Mr. GILMAN. Well, Mr. Dion, what more should we be doing that we're not doing, to start reducing that supply from Mexico?

Mr. DION. I think we're doing about as much as we can do, sir, within the limitations posed by capacity to absorb funds and the like. I think we have a first class team in our Narcotics Assistance Unit in Mexico City. I think that the Mexican authorities in charge of the program are cooperating well with us. I think that we're going to see real progress next year.

I think we saw some progress this year. As you say, the bottom line——

Mr. GILMAN. Does real progress mean a reduction next year compared to this year?

Mr. DION. That is our expectation, sir.

Mr. GILMAN. What will bring that about?

Mr. DION. We think that the needed effort is currently underway.

For instance, measures are being taken to improve the efficiency of the eradication fleet, such as use of more spray-equipped aircraft within the fleet; Four turbo-thrush aircraft, for instance, over the last four or five months, on loan from the United States, were specifically provided to the Mexican fall eradication program.

These and other measures will produce results next year. I think we have already achieve some improvement. But a great deal more needs to be done.

Mr. GILMAN. I hope your optimism results in some specific accomplishments.

What about Pakistan? First of all, let's stay with the decertification of countries. You were telling us why we should not decertify the three countries—Mexico, the Bahamas and Panama.

Mr. DION. The Government of the Bahamas is working with us on the OPBAT Program, the Operation Bahamas Turks and Caicos. We are flying U.S. helicopters into their air space with the participation of their law enforcement officers. They are making arrests within their own territory but with our air support. They have agreed to locate a second tethered aerostat radar balloon in the Bahamas. We completed negotiations just two weeks ago for a mutual

legal assistance treaty with the Bahamas. They are cooperating closely with us on the current maritime interdiction program.

On the other hand, they have been dilatory in the extradition of some traffickers that we have asked for, and they are not as cooperative as they could be on the location of the radar station, although as I said, they allow us to locate tethered aerostat radars in the Bahamian territory.

Generally speaking, what we've asked the Government of the Bahamas to do on narcotics cooperation they have done.

Mr. GILMAN. Have we attempted to address the official corruption issue that's been so rampant in the Bahamas?

Mr. DION. Sir, I think that remains a very serious problem. There's no question about that.

But I'm not sure that it's one that we ourselves can address directly. I think that the Government of the Bahamas and the people of the Bahamas must see to it. It's their country.

Mr. GILMAN. One of the major networks did a TV feature not too long ago on the drops in the Bahamas.

Mr. DION. I saw that.

Mr. GILMAN. It showed it to be rampant and increasing rather than moving in the other direction. Do you have any thoughts about what more we should or could be doing?

Mr. DION. Sir, I think that some of it may not have been entirely accurate. In other words, some of that story dates from two years ago rather than now. A great deal of progress has been made in efforts to interdict shipment through the Bahamas in the last 18 months or so.

But much more progress needs to be made. There are a number of initiatives currently underway. We are negotiating with the Government of the Bahamas so that Customs, DEA and other law enforcement agencies will be able to carry out more and more successful operations.

Mr. GILMAN. And what about Panama? Why shouldn't we be decertifying Panama?

Mr. DION. Well, from the close viewpoint of the International Narcotics Matters Bureau, the Government of Panama has cooperated with us fully in a large scale eradication campaign against marijuana growing in Panama. We have had three separate operations there involving our turbo thrush aircraft. Panamanian authorities have assisted in every way to destroy the marijuana crop in Panama.

They also have taken action in the field of interdiction against the movement of cocaine and cocaine precurser chemicals that had passed through their territory. They also adopted measures against money laundering, which is probably the most severe problem that we face in Panama on narcotics.

They adopted a new narcotics law last December. Our Attorney General's Office and Representative of the U.S. Treasury and other agencies have met with the Panamanian negotiators on a Mutual Legal Assistance Treaty on several occasions. And the Attorney General of the United States and the Attorney of General Panama met privately during a conference of the Attorneys General in Mexico. They agreed to present 12 cases for extradition of traffickers to the United States.

On the con side, I would have to say that there has been no agreement so far on the Mutual Legal Assistance Treaty, except on narcotics cases. That much has been negotiated. And corruption remains a severe problem in Panama.

Mr. GILMAN. And yet with all of these problems, you recommend that we do not decertify either Mexico, Bahamas or Panama?

Mr. DION. Our belief, sir, is that the law is a very forceful tool in gaining the cooperation of foreign governments with our narcotics control efforts, encouraging them to make greater efforts of their own and that if we break off the dialog and sanction them, we will fail in this endeavor.

Mr. GILMAN. Mr. Dion, what about the herbicide research that was going on in Colombia? Have we developed an appropriate research for eradicating the crop in Colombia, the coca crop?

Mr. DION. Two research efforts are underway. A herbicide has been largely identified. More testing is required. We are working with the Department of Agriculture to set up a testing site in the United States to carry out further tests.

The area in which testing was underway in Colombia is now insecure. The narcotics traffickers and guerrillas can interfere with the testing. We have received the agreement of the Government of Ecuador to help test a herbicide in Ecuadorean territory.

Mr. GILMAN. It was my understanding there was an appropriate chemical that had been developed that could be used, but the chemical manufacturer was reluctant to use it because there were some liability problems. Is that right?

Mr. DION. Yes, sir; that is a continuing problem.

Mr. GILMAN. What chemical is that?

Mr. DION. I think I'd rather not name the chemical or the company, sir, because of security reasons and I suppose legal reasons.

I think one of the concerns of the company was that their representatives in these countries might be targeted.

Mr. GILMAN. What can be done to alleviate their concern with regard to the liability issue?

Mr. DION. We've carried out a continuing series of meetings with the company's lawyers. State Department lawyers, and with representatives of our Bureau. The Department of Justice has also given us strong support in our negotiations with the company to buy that chemical.

Mr. GILMAN. Wouldn't this be true of any chemical that we developed that would be effective? These same problems?

Mr. DION. I'm not certain. In fact, I think, if for instance we were able to develop a chemical, or working with any one of these Latin American Governments, we were able to develop a chemical different from this patented chemical that was equally effective, and that could be produced in that country, then, no, I don't think we'd face that problem.

Mr. GILMAN. How much did we spend on the research for appropriate herbicides to eliminate the coca bush until now?

Mr. DION. Under $1 million. But we are to spend $1 million this year and we are cooperating with the Department of Agriculture.

Mr. GILMAN. And there is a chemical that's effective that's out there?

Mr. DION. Well, it's very effective as a backpack application herbicide. In other words, people with chemical spray packs on their backs attack the root of the plant——

Mr. GILMAN. I understood this chemical that has been developed by X chemical company, the unknown company, could be sprayed on the plants, an aerial spray?

Mr. DION. It can be sprayed aerially. It does not have the immediate or effective success that backpack spraying has and that is why further testing is needed. It will eliminate probably 60 percent of a field when aerially applied. But backpack spraying will kill the entire field.

Mr. GILMAN. What is Colombia able to eradicate at the present time?

How much per year, under the present system?

Mr. DION. I would have to get you the precise figure, but it's only an experimental program that's been underway for the last——

Mr. GILMAN. I'm talking about under the present system, without the new spray.

Mr. DION. They are not manually eradicating coca right now in Colombia.

Mr. GILMAN. They are not eradicating?

Mr. DION. No, sir. The process had used several chemicals and then narrowed down to one. That one chemical is no longer available to us. The company refuses to sell us any more until the problems of liability and security——

Mr. GILMAN. There's no more eradication going on in Colombia?

Mr. DION. There are no tests underway as of right now.

Mr. GILMAN. And no manual eradication?

Mr. DION. There may be manual eradication but there is no chemical eradication.

Mr. GILMAN. Isn't it true that the Colombian production is going up?

Mr. DION. The production of coca leaf in Colombia is going up. But almost all of that is used to manufacture basuco, which is locally smoked. In other words, the coca that is produced in Colombia is not processed into cocaine that comes to the United States. The coca that is grown and processed into cocaine, mainly in Colombia, comes from Bolivia and Peru.

Mr. GILMAN. And the production of that product has been going up as well, has it not?

Mr. DION. Yes, sir.

Mr. GILMAN. So we have leaf production going up and we have processing going up; they've stopped eradication; and with regard to the production plants, with regard to the plants that are processing, they're doing very little about it. Is that correct?

Mr. DION. Their eradication program is 98 percent against marijuana, yes, sir, and in areas fully controlled by the government.

Mr. GILMAN. And this is the largest exporter of cocaine?

Mr. DION. Cocaine, that is correct to say. Yes, sir.

Mr. GILMAN. Is there something then that is radically wrong with our strategy with regard to Colombia?

Mr. DION. Well, I would think, sir, that if we are able to supply them with a chemical that can be used against coca, they will use it.

But we are legally estopped from that at the moment. As I say, our experiments are continuing at the site in the United States, in cooperation with the Department of Agriculture, and will soon begin in Ecuador.

Mr. GILMAN. Mr. Dion, when we met with the press in Colombia and met with some of the people who were in charge of the program, they emphasized how important the extradition process was, that this was a major threat to the narcotic trafficker, that they weren't worried about prosecution in Colombia because there is virtually no prosecution. They have intimidated the courts and the enforcement people.

And yet the extradition issue is held in a great deal of question because one of their internal high court rulings, and the President told us, the President of Colombia, that his foreign office people were meeting with our State Department people to try to work out the obstacles.

What is the progress with regard to this extradition issue?

Mr. DION. Well, the extradition treaty was originally declared unconstitutional by the Supreme Court on very technical grounds.

The President then signed the extradition treaty once again, which brought it back into force. There has now been another effort by the Supreme Court to declare it unconstitutional and to impede the military courts from hearing extradition cases.

Nonetheless, despite this legal battle in Colombia, Carlos Lehder was extradited to the United States.

Mr. GILMAN. Lehder was extradited before the Court ruling.

Mr. DION. No, sir. I think the Court ruling was in January and Lehder was sent here just about a month ago.

Mr. GILMAN. But isn't there another one now pending?

Mr. DION. I think that there are a number of cases pending, yes, sir.

Mr. GILMAN. And they're being held up because of the Court ruling?

Mr. DION. I think that they're being held up because of the Court Ruling. But that is why the Department of State, Department of Justice team has been working with the Colombian Government.

Mr. GILMAN. What are we doing to expedite that process so that we don't delay it? Suppose they were to capture one of the coca billionaires that were on the front page of the New York Times Magazine the other week? Would they be able to extradite him today?

Mr. DION. Carlos Lehder was sent straight to the United States.

Mr. GILMAN. The Lehder extradition order I'm being told was signed before the revision of the treaty.

Mr. DION. That's entirely possible. I think——

Mr. GILMAN. But there could be no extradition today until we resolve this issue?

Mr. DION. I think that's right, sir.

Mr. GILMAN. Well, I'm asking you once again, what are we doing to expedite that process?

Mr. DION. Well, there is a team, a negotiating team that has made one visit to Colombia and I think another is planned, that is headed by the Deputy Legal Adviser of the State Department.

Mr. GILMAN. What's the results of this negotiation?

Mr. DION. Well, I think that they have not reached the result yet. That's why another visit is planned.

Mr. GILMAN. Mr. Dion, could I urge upon you and the State Department to expedite this process? It was underscored to us by the President of Colombia how vital this issue was to put some teeth in the enforcement effort. They are not able to do any prosecution down there. They feel that the only real threat to the traffickers is to extradite them to our own nation. And if we're going to accomplish that, we're going to have to resolve this negotiation.

Mr. DION. Absolutely. I agree, sir, and it is a high priority for both the Department of State and the Department of Justice.

Mr. GILMAN. Well, meeting now and then isn't much of a priority. And I would hope that you would really put some pressure on this negotiating team.

Mr. DION. Absolutely. I might also mention, one of the staff has reminded me that Colombia has lost several helicopters in recent weeks in attacks on laboratories, cocaine laboratories in Colombia. When I spoke of eradication of the coca crop, I omitted to say that some recent action has been taken on the interdiction of cocaine laboratories.

Mr. GILMAN. Well, we were told by our own people that they had pinpointed over 50 coca processing labs, but most of them were in the FARQ territory, the territory being held by the guerrillas and that the local, the Colombia enforcement people were reluctant to go into that area because of the cease fire that had been agreed upon.

When we raised that with the President, he couldn't understand that and he said that he would order his people to go in to those territories if there were labs there, and they had to be pursued.

I would hope that we would follow up on that. Over 50 labs in that territory, processing labs that we have pinpointed.

Mr. DION. Yes, sir. We are also supporting, through money which the Congress voted us, the armoring of helicopters so that the Colombian police forces will be able to go into these areas.

Mr. GILMAN. One other question, Mr. Dion. What is the current status of the regional air wing that was designed to operate in Mexico, Central and South America and the Caribbean?

In 1987, $21 million was provided to acquire and operate that air wing. In 1988 no funds have been requested.

How do you propose to maintain and operate the aircraft after 1987?

Mr. DION. Sir, the legal work is going forward to procure the aircraft. There were three aircraft purchased, as you are aware, during 1986, for a regional air wing. These aircraft are currently in Colombia, and are being used in operations along the borders. There will be a further purchase of aircraft for the air wing. A strategy paper has been drawn up but we will have to go through the bid process required of the government to procure aircraft, and that will take some months. But we anticipate that they will be available around August or September of this year.

Mr. GILMAN. How do you anticipate operating and maintaining the aircraft if there is no item in the budget in 1988 for these aircraft?

Mr. DION. I think that there will be maintenance funds available for these aircraft from 1988 funds.

Mr. GILMAN. There's nothing in the budget, apparently.

Mr. DION. There may not be a line item but it will be available through our Latin America Regional Fund.

Mr. GILMAN. Latin America Regional Fund?

Mr. DION. Yes, sir.

Mr. GILMAN. How much is in that fund?

Mr. DION. I'd have to check, but——

Mr. GILMAN. Sufficient to take the operation of this air wing?

Mr. DION. Yes, sir. Yes, sir.

Mr. GILMAN. Why wasn't there a request, a specific item request for this?

Mr. DION. Well, what happened was that the fiscal year 1988 budget of the INM Bureau went forward from the Department of State to OMB before the Anti-Drug Abuse Act of 1986 was passed. So that the $53 million congressional add-on to the fiscal year 1987 account came after we had completed the 1988 budget.

The air wing will be purchased out of 1987 funds but the 1988 budget has already been approved by the Administration and sent to the Congress.

Mr. GILMAN. So are you asking them for a supplemental budget or do you plan to?

Mr. DION. We may ask for a supplemental, sir. I'm not——

Mr. GILMAN. The budget process is still ongoing, and I don't understand, when did you complete your budget process in INM?

Mr. DION. Sir?

Mr. GILMAN. When did you complete your 1988 budget process?

Mr. DION. We completed the 1988 budget in September, and it was forwarded before the Congress passed the 1986 Act.

Mr. GILMAN. But you were pretty much familiar with what the Act looked like in September?

Mr. DION. No, sir; I don't think we were. We did not know that we would be receiving $53 million for capital purchases.

But we do have, I am reminded that we do have around $7 million in the Latin American Regional Account for Fiscal Year 1988 which would be sufficient to support the program.

Mr. GILMAN. I would hope that for future budgeting, if you're going to create this air wing and it's going to be effective, that you make provisions for it in the budget process.

Mr. DION. Yes, sir.

Mr. GILMAN. There's one other area that we'd like you to address, and that has to do with Burma. Can you tell us what's happening there and what INM is proposing to do? We understand there's going to be a bumper crop coming out of Burma and that despite the size and strength of the opium poppy aerial eradication program, that the cultivation has been expanding.

Has this become a losing battle, in Burma?

Mr. DION. No, sir; I don't think it's a losing battle. I think that very serious inroads into opium production were made by the Government of Burma this year in its eradication program, which as you know, we supported. They eradicated around 40,000 acres of opium poppy.

Mr. GILMAN. Out of how many?

Mr. DION. Well, we believe that the opium poppy probably is planted on around 100,000 acres.

Mr. GILMAN. So they eliminated less than half?

Mr. DION. Oh, yes, sir, less than half. And in fact, production increased this year, fairly sizably. There are anticipations that this indeed will be a bumper crop. But the eradication program was expanded over last year.

Mr. GILMAN. Your bulletin in March said you estimated cultivation anywhere from 81,000 to 127,000 acres and eradication of 16,000 up to February 1 compared to 13,000 in 1986 and you said the 1987 estimate does not factor for manual eradication, but I assume that that is pretty minor compared to the spraying.

Mr. DION. It was significant this year. Manual eradication was up because of the fighting in Burma in January and February. The aerial eradication program was not as extensive as it should have been and was terminated, in fact, before the crop season ended.

So there was more manual eradication this year than had been anticipated.

Mr. GILMAN. You expect then the total production from Burma this year, will exceed last year's production?

Mr. DION. Yes, sir.

And the eradication will exceed last year's eradication.

Mr. GILMAN. Will that product be greater this year than last year?

Mr. DION. The product will be greater this year. In other words, the amount of——

Mr. GILMAN. Again, I ask you, what are we doing, are we fighting a losing battle? What are we doing to try to reduce that?

Mr. DION. Sir, we will have a bigger program in Burma next year. The Burmese Government will make a greater effort next year than this year. The Army was caught up by fighting with the Burma Communist Party through much of January and February, at exactly the time that the eradication program would rely on the support of the army. So not as much was eradicated this year as might have been, despite the provision of new aircraft and the use of these aircraft in the main opium crop areas.

As a result of the fighting, as a matter of fact, a major opium producing area of Burma has now been seized from the Burma Communist Party, so we would expect that a great deal more eradication will take place next year than this year.

Mr. GILMAN. Mr. Dion,what is your total budget for Fiscal Year 1988?

Mr. DION. The world budget?

Mr. GILMAN. INM.

Mr. DION. $98 million.

Mr. GILMAN. And how does that compare to the prior year?

Mr. DION. Well, the prior year was to be $62 million but was increased by the Congress to $118 million. So that our request was for $62 million but it was increased by $53 million. Our Fiscal Year 1987 budget was considerably higher than our requested 1988 budget.

Mr. GILMAN. And your 1988 budget is less than the 1987 expenditure?

Mr. DION. That's because the Congress granted us more money in 1987 than we had requested.

Mr. GILMAN. Right. And were you able to use that 1987 money?

Mr. DION. Sir, we're using that money, and I think effectively.

Mr. GILMAN. And yet you are requesting a smaller amount this year despite increased crops and increased production in every major producing area?

Mr. DION. It's not that we're requesting less this year than last year, it's that our request for this year was formulated before the Congress added on to our last year's budget.

Mr. GILMAN. But whatever Congress added on has nothing to do with the projections and the crop estimates and the production estimates and the export estimates. I don't think that what Congress was doing should have affected what your anticipated needs would have been in trying to battle this increased production all over the world.

Mr. DION. Our request, sir, for this year, for Fiscal Year 1988 is a third more than our request for Fiscal Year 1987. So that for us this was a very dramatic increase in our budget. What the Congress gave us last year was——

Mr. GILMAN. You had a dramatic increase in production in that same period.

Mr. DION. Yes, sir, that's right. It's a question, sir, I think really, of absorption of what we are able to use effectively. And we will use the $118 million effectively. Our request was for $98 million for Fiscal Year 1988. That will also be used effectively. But the major capital purchases that were made from the 1987 add-on will not need to be repeated in 1988.

Mr. GILMAN. Mr. Dion, are we doing enough in every one of these battle theatres?

Mr. DION. I would say that it is always possible to do more, but I don't think that increasing resources is the only answer.

Mr. GILMAN. What are the other answers?

Mr. DION. I think that the kind of diplomatic leverage that the 1986 act provides to the Department of state and other——

Mr. GILMAN. What diplomatic leverage, Mr. Dion?

Mr. DION. Well, I think that the threat of withholding aid has done—

Mr. GILMAN. But we're not withholding any aid.

Mr. DION. Yes, sir. 50 percent of the aid to the countries that are the main producing, trafficking, transit countries was withheld pending certification. Now, if the certification is not granted or is denied next year, they will lose their aid. I think that's——

Mr. GILMAN. But we're not denying anyone now any aid, are we?

Mr. DION. Well, sir, the law was passed in October. We only had a few months to work with the law. Next year I think we'll have a much greater impact.

Mr. GILMAN. This law has been on the books since 1983 and we just revised it and refunded it last year.

Mr. DION. Sir, but I think that the revision which made it a more positive sanction did not sink in immediately or effectively. I think that now a great number of countries are very aware of the threat to the bilateral relationship they have with the United States that is posed by the narcotics problem.

Mr. GILMAN. Well, I certainly hope that your expectations are valid and that the leverage of this new law will take the place of real resources. But I am inclined to think that what we should be doing is providing a great deal more resource out there to take care of these many problems that exist throughout the world and particularly in the heavy producing areas. I'm frank to say I don't think we're doing enough in the international area. We are finding for the first time a growing awareness and a growing consciousness in the family of nations trying to do a great deal more than they've done in the past. We hear more and more about regional cooperation and the willingness to forget the boundaries in recognition of the fact that traffickers know no boundaries. But I don't think that we're doing enough to encourage that kind of an effort, when we cut back on our budgeting at a time when the production is increasing.

Mr. DION. Well, I don't think we've cut back on our budgeting, sir. I think that the money that was provided by the Congress for Fiscal Year 1987 above our request will be used effectively, and our request for this year, for Fiscal Year 1988, which is a third more than we requested in 1987, will allow us to continue to carry on these successful operations. I might point out that we have five Turbo Thrush aircraft in Burma, engaged in the aerial eradication and have begun using two Pakistan Air Force helicopters in Pakistan for aerial eradication. Two more major aerial eradication programs are thus underway in addition to those in Colombia and Mexico.

Mr. GILMAN. Well, we certainly hope your optimism results in some significant effort by our International Narcotics Bureau.

Mr. DION. I think that we will see an improvement next year. I wouldn't want to say that it will bring success in the form of zero drugs on the street, of the United States. I don't think that's possible.

Mr. GILMAN. At least a major dent in the production.

Mr. DION. That is our expectation.

Mr. GILMAN. Thank you, Mr. Dion, for appearing. The hearing will stand adjourned.

[Whereupon, at 12:25 p.m. the hearing adjourned.]

[Prepared statements follows:]

STATEMENT OF THE

HONORABLE CHARLES B. RANGEL

CHAIRMAN

SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

HEARING ON INTERNATIONAL NARCOTICS CONTROL

AND BUDGET DECISION MAKING

1310 LONGWORTH HOB

10:00 AM

MARCH 25, 1987

GOOD MORNING LADIES AND GENTLEMEN.

TODAY THE SELECT COMMITTEE COMPLETES ITS FIRST SERIES OF OVERSIGHT HEARINGS ON THE ANTI-DRUG ABUSE ACT OF 1986. OVER THE PAST FEW WEEKS WE HAVE REVIEWED WITH ADMINISTRATION AND PUBLIC WITNESSES THE IMPLEMENTATION OF THIS HISTORIC LEGISLATION TO DATE AND HOW THE PRESIDENT'S FY 1988 BUDGET PROPOSALS WILL AFFECT THE PROGRAMS CREATED BY CONGRESS IN LAW AND EMBRACED BY THE PRESIDENT WHEN HE SIGNED THE LEGISLATION.

ONE MAJOR CONCERN THAT EMERGED FROM OUR HEARINGS IS THAT THE PRESIDENT'S PROPOSED BUDGET WILL HAVE A CHILLING EFFECT ON THE NEW DRUG ABUSE PROGRAMS MADE POSSIBLE BY THE ANTI-DRUG ABUSE ACT. WITNESS AFTER WITNESS HAS TOLD OUR COMMITTEE IN THE LAST FEW WEEKS THAT BECAUSE OF THE PRESIDENT'S PROPOSED BUDGET, IT MAKES LITTLE SENSE FOR STATE AND LOCAL GOVERNMENTS TO EMBARK UPON NEW AND INNOVATIVE DRUG CONTROL AND PREVENTION EFFORTS IF FEDERAL SUPPORT FOR THOSE EFFORTS IS TERMINATED AFTER A YEAR.

THE BROAD, BIPARTISAN COALITION IN THE CONGRESS THAT DEVELOPED THE ANTI-DRUG ABUSE ACT SAW THIS LAW AS THE BEGINNING OF A COMPREHENSIVE NATIONAL STRATEGY TO COME TO GRIPS WITH ALL ASPECTS THE OUR NATION'S DRUG ABUSE PROBLEM. IT WAS A "DOWN PAYMENT", NOT "ONE TIME SEED MONEY".

WE THOUGHT THE PRESIDENT OF THE UNITED STATES AGREED WITH US. ON OCTOBER 27, 1986, AT AN ELABORATE WHITE HOUSE SIGNING CEREMONY, MR. REAGAN STATED, "WELL, TODAY IT GIVES ME GREAT PLEASURE TO SIGN LEGISLATION THAT REFLECTS THE TOTAL COMMITMENT

OF THE AMERICAN PEOPLE AND THEIR GOVERNMENT TO FIGHT THE EVIL OF DRUGS."

THE PRESIDENT ALSO STATED THAT, "THE AMERICAN PEOPLE WANT THEIR GOVERNMENT TO GET TOUGH AND GO ON THE OFFENSIVE AND THAT'S EXACTLY WHAT WE INTEND, WITH MORE FEROCITY THAN EVER BEFORE."

IN EARLY JANUARY, THE PRESIDENT'S FY 1988 BUDGET CAME UP TO CAPITOL HILL PROPOSING DEEP CUTS IN THE PROGRAMS JUST ENACTED ONLY TWO MONTHS EARLIER.

--THE STATE AND LOCAL NARCOTICS CONTROL ASSISTANCE PROGRAM, WHICH PROVIDES $225 MILLION TO STATE AND LOCAL GOVERNMENTS FOR DRUG ENFORCEMENT ACTIVITIES, IS ELIMINATED IN 1988. CONGRESS HAS AUTHORIZED THIS PROGRAM THROUGH 1989.

--FUNDS FOR DRUG ABUSE EDUCATION PROGRAMS ARE SLASHED IN HALF FROM $200 MILLION IN 1987 TO $100 MILLION IN 1988. THE 1988 REQUEST IS $150 MILLION BELOW THE AMOUNT AUTHORIZED BY CONGRESS IN THE ANTI-DRUG ABUSE ACT. THIS PROGRAM, TOO, IS AUTHORIZED THROUGH 1989.

--NO ADDITIONAL FUNDS ARE REQUESTED FOR DRUG ABUSE TREATMENT IN 1988. FUNDS PROVIDED TO CARRY OUT THE EXPANDED TREATMENT INITIATIVES AUTHORIZED IN THE ANTI-DRUG ABUSE ACT WILL BE USED TO SUPPORT PROGRAMS IN BOTH 1987 AND 1988. THE ALCOHOL, DRUG

ABUSE AND MENTAL HEALTH BLOCK GRANT IS FROZEN AT THE 1987 LEVEL ($495 MILLION).

--A TOTAL OF 1998 POSITIONS ARE ELIMINATED FROM THE CUSTOMS SERVICE IN 1987 AND 1988, MORE THAN WIPING OUT THE GAINS CONGRESS INTENDED FOR THE CUSTOMS SERVICE IN THE DRUG LAW. THE 1988 REQUEST OF $86 MILLION FOR THE CUSTOMS AIR PROGRAM -- A CRITICAL LINK IN OUR INTERDICTION EFFORT -- IS HALF OF THE 1987 FUNDING LEVEL OF $171 MILLION. THE ADMINISTRATION PLANS TO DEFER UNTIL 1988 THE SPENDING OF $32 MILLION PROVIDED FOR THE AIR INTERDICTION PROGRAM IN 1987. THESE PROPOSALS JEOPARDIZE THE DEVELOPMENT OF FACILITIES TO EFFECTIVELY COORDINATE INTERDICTION ACTIVITIES, THE DEPLOYMENT OF UPGRADED RADAR ON DRUG SURVEILLANCE AIRCRAFT, AND THE OPERATION OF AIRCRAFT TO TRACK AIRBORNE DRUG SMUGGLERS.

--AT $98.8 MILLION, THE 1988 PROPOSED FUNDING LEVEL FOR INTERNATIONAL NARCOTICS CONTROL EFFORTS BY THE STATE DEPARTMENT'S BUREAU OF INTERNATIONAL NARCOTICS MATTERS IS NEARLY $20 MILLION BELOW THE 1987 FUNDING PROVIDED BY CONGRESS.

I SHOULD NOTE THAT THE 1988 BUDGET DOES INCLUDE ABOUT $70 MILLION IN INCREASES FOR FEDERAL DRUG LAW ENFORCEMENT.

WE ARE PLEASED THAT OFFICE OF MANAGEMENT AND BUDGET (OMB) DIRECTOR JAMES C. MILLER III IS WITH US THIS MORNING TO EXPLAIN HOW THE ADMINISTRATION'S BUDGET PROPOSALS ARE CONSISTENT WITH A

TOTAL COMMITMENT TO FIGHT DRUG ABUSE AND DRUG TRAFFICKING. WE WANT TO LEARN ABOUT THE PROCESS BY WHICH THESE DECISIONS WERE REACHED AND THE JUSTIFICATION FOR THEM.

IT IS IMPORTANT TO NOTE THAT MR. MILLER, AS THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET, SERVES ON THE NATIONAL DRUG ENFORCEMENT POLICY BOARD WHICH WAS CREATED IN 1984. THIS GROUP WILL SOON BE EXPANDED BY EXECUTIVE ORDER AND WILL BE KNOWN AS THE NATIONAL DRUG POLICY BOARD. NEVERTHELESS, AS A MEMBER OF THAT BOARD, MR. MILLER SHOULD BE AWARE OF THE SEVERE DRUG ABUSE CRISIS OUR NATION FACES. THIS IS NOT JUST MY VIEW, BUT THE VIEW OF ADMINISTRATION OFFICIALS.

THE STATE DEPARTMENT'S RECENTLY ISSUED INTERNATIONAL NARCOTICS CONTROL STRATEGY REPORT (INCSR) REPORTS EXPANDED PRODUCTION OF OPIUM, COCA, AND MARIJUANA WORLDWIDE. WE CAN EXPECT BUMPER CROPS OF ILLICIT SUBSTANCES IN EVERY MAJOR DRUG PRODUCING COUNTRY. IN SIMPLE TERMS, WE CAN EXPECT MORE DRUGS THAN EVER BEFORE TO BE SMUGGLED INTO THE UNITED STATES THIS YEAR. HAVING JUST RETURN FROM SOUTH AMERICA, I CAN TELL YOU FIRST HAND THAT OUR DRUG CONTROL EFFORTS IN KEY PRODUCING AND TRAFFICKING NATIONS, SUCH AS COLOMBIA, HAVE COME TO A DANGEROUS HALT.

THAT LEAVES IT UP TO INTERDICTION. HOWEVER, BEFORE OUR SELECT COMMITTEE JUST LAST WEEK, CUSTOMS COMMISSIONER WILLIAM VON RAAB TESTIFIED THAT NOTWITHSTANDING ALL THE MONEY AND HIGH TECHNOLOGY EQUIPMENT WE HAVE ENLISTED IN OUR INTERDICTION

EFFORTS THROUGH THE OMNIBUS LAW IT WILL BE A NUMBER OF YEARS BEFORE WE SEE ANY IMPACT OF THESE EFFORTS ON THE AVAILABILITY OF DRUGS ON OUR STREETS.

IN SHORT, WE CAN EXPECT MORE ILLICIT DRUGS COMING INTO THE UNITED STATES IN 1987 AND FUTURE YEARS. YET, THE PRESIDENT, THROUGH THE OFFICE OF MANAGEMENT AND BUDGET, SEEKS TO REDUCE OR ELIMINATE THOSE PROGRAMS WHICH ALLOW OUR COMMUNITIES TO FIGHT BACK AGAINST THE ONSLAUGHT THEY ARE FACING: LOCAL LAW ENFORCEMENT, EDUCATION, TREATMENT AND PREVENTION. THE RESPONSIBILITY OF THE FEDERAL GOVERNMENT IS CLEAR. IF OUR FOREIGN POLICY CANNOT RESTRICT THE PRODUCTION OF ILLICIT DRUGS IN SOURCE COUNTRIES, AND IF OUR INTERDICTION EFFORTS CANNOT KEEP A SIGNIFICANT AMOUNT OF DRUGS OFF OUR STREETS AND SCHOOLYARDS, THEN THE FEDERAL GOVERNMENT MUST COME TO THE ASSISTANCE OF STATE AND LOCAL GOVERNMENTS THAT ARE BEARING THE MAJOR RESPONSIBILITY OF RESPONDING TO DRUG ABUSE IN AMERICA.

IN ADDITION TO MR. MILLER, THE COMMITTEE IS PLEASED TO HAVE WITH US DEPUTY ASSISTANT SECRETARY OF STATE MARK DION OF THE BUREAU OF INTERNATIONAL NARCOTICS MATTERS. MR. DION WILL ADDRESS THE STATE DEPARTMENT'S IMPLEMENTATION OF PROGRAMS UNDER THEIR JURISDICTION IN THE ANTI-DRUG ABUSE ACT OF 1986.

I INVITE MY COLLEAGUES TO MAKE ANY OPENING STATEMENTS THEY WISH.

STATEMENT

OF

THE

HONORABLE BENJAMIN A. GILMAN

RANKING MINORITY MEMBER

SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

HEARING ON

INTERNATTIONAL NARCOTICS CONTROL PROVISIONS

AND THE PROPOSED BUDGET FOR NARCOTICS PROGRAMS

UNDER THE

ANTI-DRUG ABUSE ACT OF 1986

WEDNESDAY, MARCH 25, 1987

MR. CHAIRMAN, I, TOO, WANT TO WELCOME OUR WITNESSES AT TODAY'S HEARING: JAMES MILLER III, DIRECTOR OF THE OFFICE OF MANAGEMENT (OMB), AND JERROLD MARK DION, DEPUTY ASSISTANT SECRETARY OF STATE FOR INTERNATIONAL NARCOTICS CONTROL MATTERS.

FOR THE PAST MONTH, OUR NARCOTICS SELECT COMMITTEE HAS BEEN CONDUCTING OVERSIGHT HEARINGS ON THE ANTI-DRUG ABUSE ACT OF 1986. TESTIMONY WAS TAKEN FROM THE DEPARTMENTS OF EDUCATION, JUSTICE, DEFENSE, AND HEALTH AND HUMAN SERVICES, THE US CUSTOMS SERVICE, THE US COAST GUARD, THE DRUG ENFORCEMENT ADMINISTRATION, AND OTHER AGENCIES RESPONSIBLE FOR WAGING WAR ON DRUGS.

THIS MORNING WE WILL HEAR FROM TWO ADDITIONAL AGENCIES-- THE OFFICE OF MANAGEMENT AND BUDGET AND THE STATE DEPARTMENT.

LAST YEAR, CONGRESS ENACTED AND THE PRESIDENT SIGNED INTO LAW LANDMARK LEGISLATION AUTHORIZING NEARLY $3 BILLION TO HELP REDUCE THE SUPPLY OF AND DEMAND FOR ILLICIT DRUGS. THE PRESIDENT DECLARED DRUGS A THREAT TO OUR NATIONAL SECURITY AND JOINED THE FIRST LADY IN HER CRUSADE AGAINST DRUG ABUSE.

THESE EVENTS SEEM TO INDICATE THAT A LONG-TERM COMMITMENT WAS FINALLY CREATED WITH THE FEDERAL GOVERNMENT SUPPLYING SORELY NEEDED LEADERSHIP TO COMBAT AN EPIDEMIC THAT THREATENS EVERY CHILD, NEIGHBORHOOD AND WORKPLACE.

WHAT HAS TRANSPIRED IN THE PAST FEW MONTHS HAS SHOCKED AND APPALLED US. THROUGH THE OFFICE OF MANAGEMENT AND BUDGET, FUNDS FOR PROGRAMS RANGING FROM EDUCATION AND REHABILITATION TO LOCAL LAW ENFORCEMENT HAVE BEEN SLASHED OR ZERO-FUNDED OUTRIGHT.

THE ADMINISTRATION'S BUDGET PROPOSAL FOR FISCAL YEAR 1988 ELIMINATES FUNDING FOR STATE AND LOCAL NARCOTICS ENFORCEMENT ASSISTANCE; REDUCES BY MORE THAN 60 PERCENT THE SUPPORT FOR DRUG EDUCATION IN OUR SCHOOLS; AND ELIMINATES ADDITIONAL FUNDING FOR EXPANDED TREATMENT AND REHABILITATION PROGRAMS ESTABLISHED UNDER THE ANTI-DRUG ABUSE ACT OF 1986.

MANY PROGRAMS INITIATED BY THIS ACT WERE NOT GIVEN THE OPPORTUNITY FOR IMPLEMENTATION. THEY WERE NOT GIVEN A CHANCE TO DO WHAT THEY WERE CHARGED WITH DOING, AND CLEARLY, OMB IS IN THE MIDDLE OF ALL OF THIS.

DURING TODAY'S HEARING, WE WILL WANT TO LEARN HOW THOSE BUDGET DECISIONS WERE MADE, WHO MADE THEM, AND WHY THESE DRASTIC CUTS WERE MADE. WE WILL WANT TO LEARN IF FULL AND OPEN CONSULTATION TOOK PLACE WITH THE DRUG AGENCIES, OR IF THOSE DECISIONS WERE MADE IN A VACUUM.

FURTHERMORE, WE WILL WANT TO KNOW IF OMB BELIEVES THAT THE WAR ON DRUGS HAS BEEN WON, ESPECIALLY IN LIGHT OF THE RECENTLY RELEASED STATE DEPARTMENT REPORT STATING THAT WE CAN EXPECT BUMPER CROPS OF COCAINE, HEROIN AND MARIJUANA IN 1987.

I ALSO WANT TO WELCOME DEPUTY ASSISTANT SECRETARY OF STATE JERROLD DION, WHO IS HERE TODAY TO INFORM US ON EFFORTS TO CONTROL THE INTERNATIONAL PRODUCTION AND TRAFFICKING OF DRUGS.

DESPITE THE EXPANDING ILLICIT CULTIVATION OF DRUGS, THE ADMINISTRATION HAS CERTIFIED THAT VIRTUALLY EVERY DRUG PRODUCING AND TRAFFICKING NATION IS FULLY COOPERATING WITH THE UNITED STATES IN HALTING THE FLOOD OF DRUGS TO OUR SHORES. A FULL EXPLANATION OF THE JUSTIFICATION FOR SUCH RECOMMENDATIONS IS IN ORDER, AND I HOPE THAT MR. DION CAN PROVIDE US WITH THAT EXPLANATION.

MR. CHAIRMAN, I LOOK FORWARD TO HEARING FROM OUR WITNESSES AND TO A FRANK AND OPEN DISCUSSION OF THE DRUG-RELATED PROBLEMS CONFRONTING OUR NATION AND, INDEED, THE WORLD.

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Ortiz

Opening statement for Select Committee on
Narcotics Abuse and Control
3/25/87

I would like to thank Chairman Rangel for calling this meeting of the Select Committee as we continue with oversight hearings on the Anti-Drug Abuse Act of 1986. Once again, we have the opportunity to exercise our mandate and monitor implementation of Public Law 99-570.

And once again, Mr. Chairman, we will be hearing testimony from representatives of this Administration. I don't need to remind Committee members that the President emphatically agreed with and signed the Anti-Drug Abuse Act into law last year. At that time, we were not aware that while Mr. Reagan supported the moral commitments of this bill, he would ignore the financial commitments contained in this bill. In fact, these expenditures are the oil that would get the war on drugs moving into high gear.

We all recognize the budget crisis facing our nation. We are unable to review proposals of the House Budget Committee, simply because no final document that reflects the input of both parties has been produced. During their deliberations, I urge our colleagues on the Budget Committee to discard the levels contained for the War on Drugs in the President's budget. We must not abandon the commitment the Congress made to this war last year.

Meanwhile, we do have a duty to analyze the President's budget request. I am pleased that we will be able to question the key architect of this document, Mr. Miller, during today's session. From his appearance, I hope the Committee can determine what developments have occurred in the war on drugs that prompted massive adjustments in the Fiscal Year 1988 budget? Is there evidence that since last October, the war on drugs has been won? I doubt that Mr. Dion from the State Department, our other distinguished witness today, will testify to this. The State Department's International Narcotics Control Strategy Report states that drug production around the world is increasing.

I believe that our government should get serious, and stay serious, about the war on drugs. Clearly the need for enforcement, treatment, rehabilitation, education, and other drug related programs is strong. Let us not admit defeat in this latest round, the opportunity to make a significant difference is upon us.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

PREPARED STATEMENT

of

JAMES C. MILLER III

DIRECTOR

OFFICE OF MANAGEMENT AND BUDGET

before the

SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

U.S. HOUSE OF REPRESENTATIVES

WASHINGTON, D.C.

MARCH 25, 1987

Mr. Chairman and Members of the Committee: It's an honor to have this opportunity to discuss with you the President's budget for FY 1988 as it relates to drug law enforcement and drug abuse prevention and treatment programs.

As you know, the President's budget must strike the difficult balance between reducing the deficit while maintaining, and in some cases increasing, Federal support for the core functions of Government. The drug programs contained in the FY 1988 budget clearly fall into this category of essential Government functions.

In recent weeks the Administration has been accused of weakening in its resolve to fight an all-out war against drugs. Nothing could be further from the truth.

From the President on down, every member of this Administration is totally committed to this war, and we're in it to win. As everyone in this room must surely know, the First Lady has devoted enormous amounts of her personal time and energy to persuading our Nation's young people to "say no" to drugs. The Attorney General and other members of the President's Cabinet have placed anti-drug programs among the highest priorities in their departments. Virtually the entire Cabinet meets once every month, in the forum of the National Drug Policy Board, to focus our attention on one single issue: how to improve in our fight against drugs. I believe that the Board is working well. Few other issues receive such continuing attention from so many cabinet officials. As a matter of fact, we expect an Executive Order to be signed very soon that will formally broaden the mandate of the Policy Board to encompass all drug related issues, including prevention and treatment, in addition to the drug law enforcement responsibilities enumerated in the enabling statute. And the President himself, in addition to providing moral inspiration and policy direction, has presided over the largest build-up of anti-drug resources our nation has ever experienced.

If I may say so, calling this Administration soft on drugs is an accusation that simply ignores the facts. Let me explain:

Since FY 1981, the first year of this Administration, resources devoted to drug enforcement, prevention, and treatment programs have grown by 220 percent in nominal dollars. That is, in FY 1987, the Federal Government will spend over three times as much on anti-drug programs as it did just six years ago. This growth has been concentrated in the high priority areas of investigations (up 185

percent), prosecutions (up 77 percent), interdictions (up 247 percent), corrections (up 263 percent), drug abuse prevention (up 277 percent), and drug abuse treatment (up 92 percent). Under the President's budget, it will spend even more in FY 1988!

The FY 1988 Budget requests a net increase of $72 million for drug law enforcement program outlays over outlays for FY 1987. This will provide for:

-- More than 400 new workyears for DEA's programs in investigations, intelligence, foreign operations, computer support, and technical support;

-- Nearly 100 additional agent and support positions for the FBI's drug program;

-- Approximately 500 new Federal litigators and support staff to prosecute drug traffickers;

-- An increase of $24 million for the U.S. Marshals' drug-related responsibilities of prisoner transportation and court security;

-- The addition of approximately 800 new bed spaces to the Federal Prison System for drug violators; and

-- Continued support for over 2,300 Treasury and Justice Department enforcement personnel allocated to the Southwest border as part of Operation Alliance. This special Operation, which is a product of the Drug Policy Board, will greatly increase the government's anti-drug presence along the Mexican border.

All of these items represent increases above what Congress provided for in FY 1987. Let me say once again, Administration-proposed spending for anti-drug programs, as measured in outlays, will actually be higher during FY 1988 than during FY 1987 (actually, $3.5 billion in FY 1988 vs. $3.0 billion in FY 1987).

There has been much growth from FY 1981 to FY 1987, the year of the much-heralded Anti-drug Bill. But the President's Budget for FY 1988 will continue, and in some cases even increase the high operating levels achieved in FY 1987. Those who do not understand Federal budgeting have concluded that the Administration is backing away from its commitment to the war on drugs. This perception is in error. During FY 1987 we will purchase five aerostats, deploy four E-2C aircraft, construct three command and control centers and one intelligence center, and add several hundred new law enforcement personnel to our drug enforcement effort. Every one of these FY 1987 enhancements

is fully supported in the FY 1988 Budget -- we're even adding 300 more enforcement personnel in FY 1988 on top of the 1987 increases.

And the activities in the President's budget are not limited to drug enforcement. The Budget proposes spending $385 million in FY 1987 and the same amount in FY 1988 to expand State and local treatment capacity, improve and disseminate prevention models, and extend our knowledge of the causes of drug abuse. This represents a greater than 80 percent increase over FY 1986. By utilizing a two-year spending plan we will continue the momentum developed in FY 1987 by maintaining treatment, research, and prevention program levels at the elevated FY 1887 level.

The President's Budget also proposes an unprecedented Federal commitment to drug prevention in the nation's schools and communities. The Budget funds the new drug abuse education program for the duration of its three-year authorization -- at $200 million in FY 1987, and $100 million in each of the next two fiscal years. The $200 million appropriated for FY 1987 will finance non-recurring costs such as planning and purchases of materials, as well as basic program operations. As in many Education programs that operate on a forward-funded cycle, considerable time will elapse between when funds are appropriated and when they are used at the local level. Local expenditures of Federal funds for drug education will be minimal in FY 1987 and will increase to a steady state level in FY 1988 and FY 1989. Thus, the FY 1988 request of $100 million should not lead to cutbacks in local programs.

All this support for the drug program in the President's FY 1988 budget, and still the Administration is accused of cutting back on the drug war. Probably the best example of one such "reduction" -- not really a reduction at all -- is the large amount of money contained in the FY 1987 drug budget that will be spent on capital purchases. These purchases simply don't have to be repeated in 1988. The President said it best in his radio address this past Saturday. He said,

> "A priority item in this year's budget is the continuation of our battle against the scourge of drug abuse. We have tripled spending on drug programs since 1981. In fact, last year [1987] we budgeted a large amount for the purchase of airplanes and the construction of certain facilities. Yet, this year, our budget was criticized for not asking for a repeat of these expenditures. Well, a lot of this spending on drug programs has been what accountants call capital costs,

> and now that we have the equipment and facilities, we don't have to buy them every year. In other words, the car is bought, now all we have to do is buy the gas, change the oil, and make normal repairs. Ask any businessman, he'll tell you that the start-up costs are always the highest. Anyone who's moved into an old home and had to fix it up knows that the initial expenses are the worst."

And what are these capital purchases? Again, let me cite an example. The FY 1987 drug budget contains some $58 million to buy five aerostats for the Southwest border. These are radar balloons that will be used to detect drug smuggling aircraft entering the United States from Mexico. These five aerostats, together with the one purchased in FY 1986, will provide full radar coverage of the entire U.S/Mexican border, and we simply don't need any more down there. Because the aerostats were budgeted entirely in FY 1987, none of the costs appear in the FY 1988 budget. This is not a "reduction" in our drug effort -- it is simply a function of Federal budgeting which shows the entire cost of a capital purchase in the first year. But because the FY 1988 budget for this item is lower than the FY 1987 budget -- by $58 million in this instance (the cost of the aerostats) -- the Administration is accused of going soft on drugs.

Let me state it again. We have not reduced funding to any Federal drug program that we consider to be an effective use of tax-payer money. In fact, the only reduction from FY 1987 to FY 1988 that I would acknowledge as a real reduction is our decision not to repeat the State and local drug grant program that Congress created in FY 1987. In this case, we have an honest difference of opinion with some Members of Congress over who ought to pay for local law enforcement operations. It is our view that programs which primarily benefit a local community should, in most cases, be paid for by that community. I would note that many of the grant programs funded in the 1970's by the Law Enforcement Assistance Administration (LEAA) were phased out for this very reason. In our view, there are few differences between the old LEAA grants and the newly-authorized State and local drug grants. It should also be noted that we never asked for these funds in the first place. Rather, it was Congress that added the program to the drug bill despite the Administration's objections. We don't believe it was a good use of Federal dollars then and we do not believe it is a good use of dollars now. Our position on this funding has been clear and consistent. Why anyone should be surprised at this is completely beyond me.

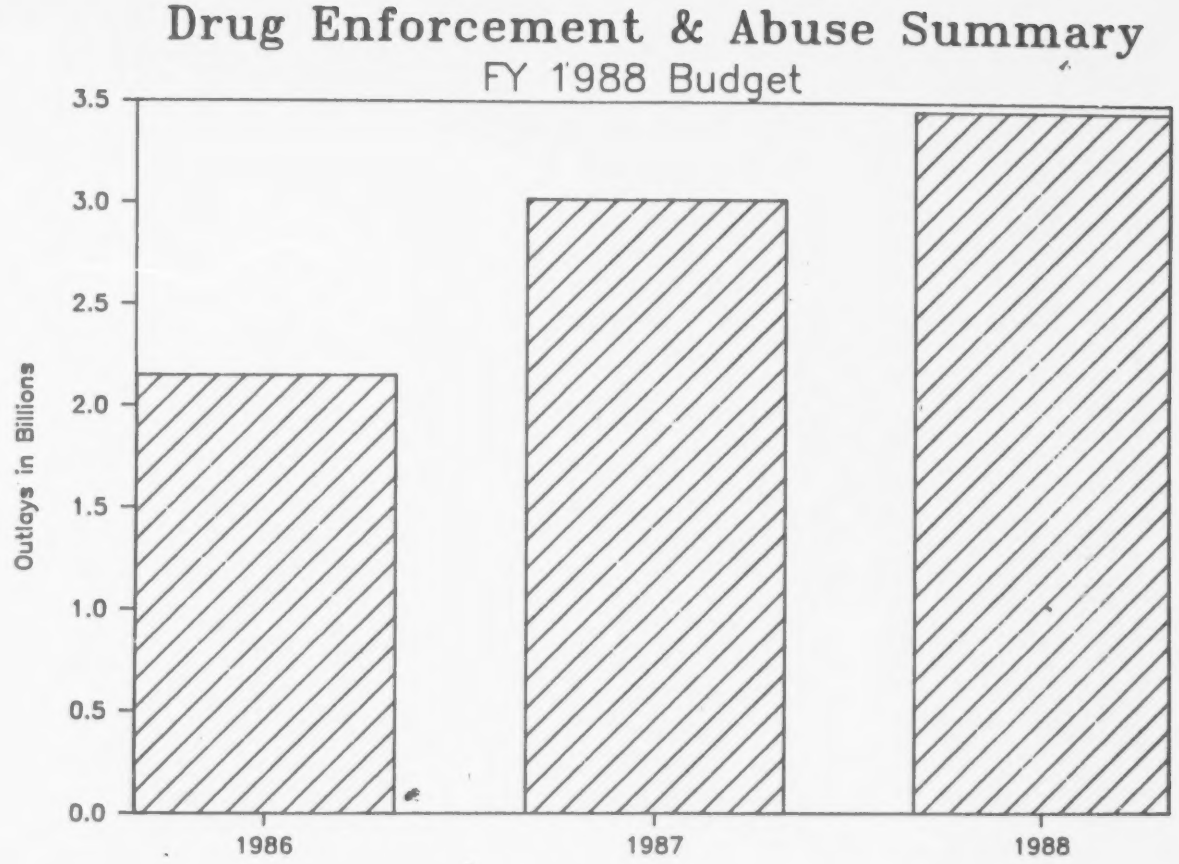
But so much attention has been paid to this "reduction"

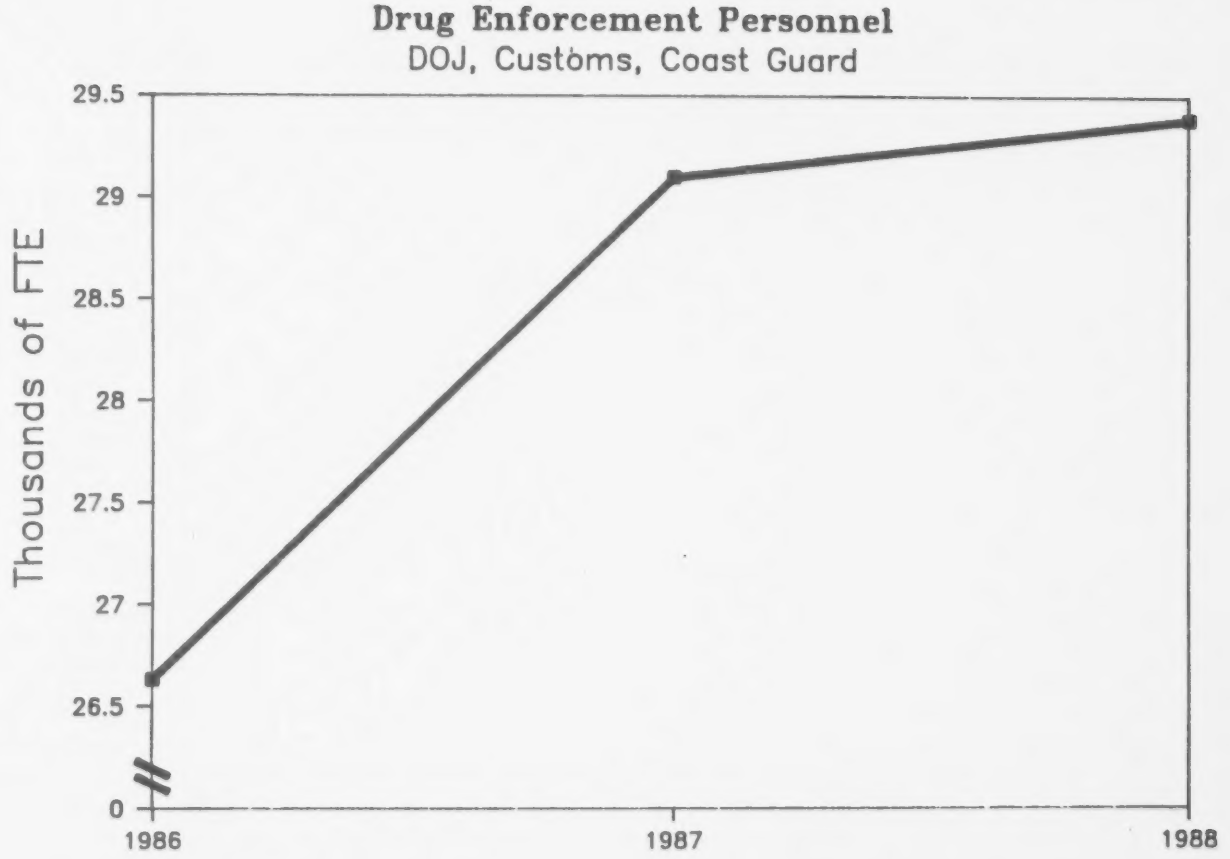
that a very important fact has gotten lost in the shuffle. And that fact is that the FY 1988 budget also proposes major increases in a number of drug programs, as I enumerated earlier.

In conclusion, Mr. Chairman, I hope that you and your colleagues on the committee will recognize that winning the war against drugs is not necessarily directly correlated with spending ever increasing Federal dollars on anti-drug programs. The anti-drug fight should be a partnership -- the Federal Government, yes, but also State and local governments, schools, churches, unions, charitable organizations and, of course, families. That is, primarily, the message of the President's drug initiative of last year. Success on the drug battlefield depends on enlisting more institutions in our great struggle -- not seeking out and monopolizing every plausible anti-drug activity.

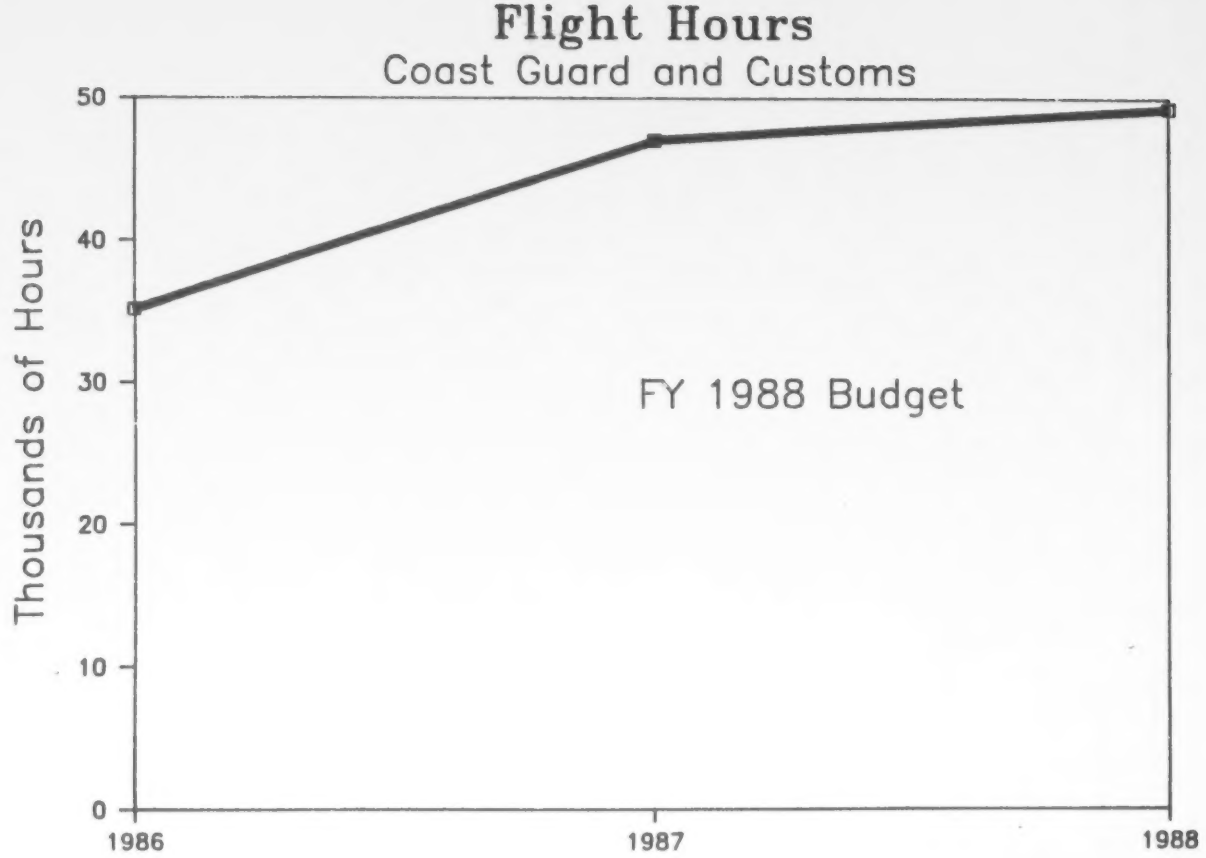
To reiterate, this Administration is committed to fighting the war on drugs -- and winning it. We have not lost our zeal, we have not cut and run. We believe that every dollar that can be used effectively in the drug effort has been requested in the FY 1988 budget.

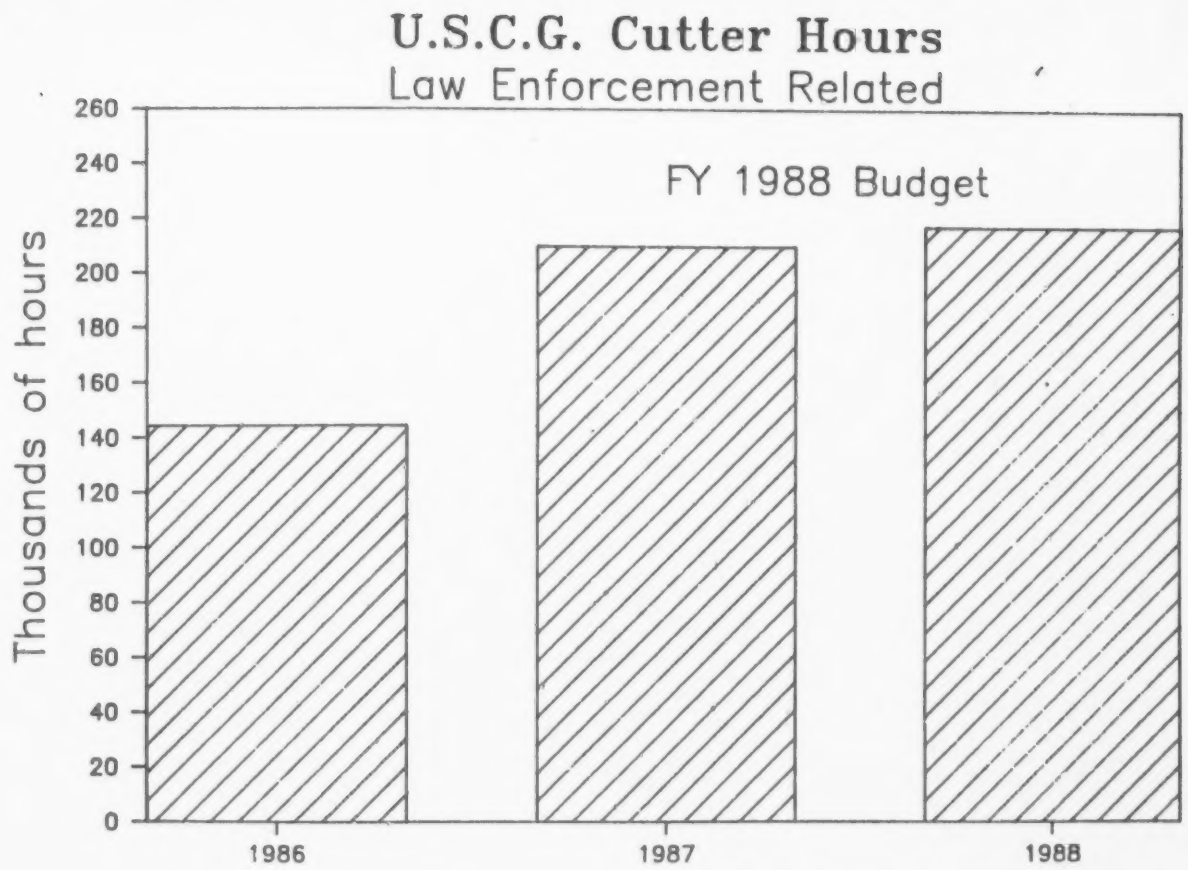
Mr. Chairman, that concludes my statement. I shall be happy now to address any questions you or other members of the committee might have.


Drug Enforcement & Abuse Summary
FY 1988 Budget
Outlays in Billions
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
1986
1987
1988


Drug Enforcement Personnel
DOJ, Customs, Coast Guard
Thousands of FTE
29.5
29
28.5
28
27.5
27
26.5
0
1986
1987
1988

AEROSTATS
U.S. CUSTOMS SERVICE, COAST GUARD, AND DOD
Additions to stock
Existing stock
NUMBER OF UNITS
0
1
2
3
4
5
6
7
8
9
10
11
12
13
14
86
87
88
89
90
YEAR OPERATIONAL


Flight Hours
Coast Guard and Customs
Thousands of Hours
50
40
30
20
10
0
1986
1987
1988
FY 1988 Budget


U.S.C.G. Cutter Hours
Law Enforcement Related
FY 1988 Budget
Thousands of hours
260
240
220
200
180
160
140
120
100
80
60
40
20
0
1986
1987
1988

AIR ASSETS

U.S. CUSTOMS SERVICE, COAST GUARD AND DEFENSE
(Budget Authority in Millions)

CS - Customs Service
CG - Coast Guard
DD - Defense Department

	1986 Enacted		1987 Enacted		1988 Request	
	Units	BA	Units	BA	Units	BA
DETECTION ASSETS						
- P-3 Aircraft (CS)	4	15	4	13	4	13
- C-130 Aircraft (CG)	8	37	9	31	9	27
- E-2C Aircraft (CS & CG)	---	---	4	15	4	19
(purchase DD)	---	---	---	138	---	---
- P-3 Modification w/360 radar (CS)	---	---	1	19	---	---
- CG C-130 Modification w/360 radar (DD)	---	---	2	45	---	---
- Aerostats (CS)	3	13	10	13	10	24
(purchase DD)	---	12	---	71	---	---
- Aerostats (CG)	2	23	4	35	4	8
- Aircraft (DD)	45	NA	45	NA	45	NA
INTERCEPTION & TRACKING ASSETS						
- High Endurance Aircraft (CHETS) (CS)	8	2	8	5	8	6
- C-12 Marine Aircraft (CS)	1	5	6	17	6	4
- Cessna Citations (CS)	6	4	10	17	10	10
- Jet Aircraft (CG)	9	28	9	28	9	28
- Helicopters (CG)	34	59	42	61	42	22
APPREHENSION ASSETS						
- Black Hawk Helicopters (CS)	11	5	12	6	12	6
- US/Bahamas Task Force:					---	---
-- High Speed Helicopters(CS)	---	---	3	9	3	9
- Helicopters (DD)	12	NA	12	NA	12	NA
OTHER RELATED ASSETS						
- C3I Centers (CS)	2	5	4	43	3	13
- General Operations (CS) (funds the following items):		15		13		17
-- Twin Engine Aircraft	31	---	31	---	23	---
-- Single Engine Aircraft	9	---	9	---	8	---
-- Support Helicopters	13	---	13	---	9	---
-- King Air/Mohawk Aircraft	5	---	5	---	5	---

* Capital costs included in year appropriated, O&M costs included in all years assets are operated.

MARINE ASSETS

U.S. CUSTOMS SERVICE and U.S. COAST GUARD
(Budget Authority in millions)*

CS = Customs Service
CG = Coast Guard

	1986 Enacted		1987 Enacted		1988 Request	
	Units	BA	Units	BA	Units	BA
DETECTION ASSETS						
- Cutters (CG)	32	163	34	204	36	208
- Patrol Boats (CG)	52	32	52	19	52	19
- Small Boats (CG)	221	6	221	6	221	6
- Marine Radar Vessels (CS)	34	2	35	2	35	2
INTERCEPTION ASSETS						
- Marine Interception Vel (CS)	70	4	80	5	80	6
- Blue Lightning Vessels (CS)	40	1	40	3	40	3
OTHER ASSETS						
- Marine Utility Boats (CS)	46	1	63	1	63	1

* Capital costs included in year appropriated; O&M costs included in all years assets are operated.

TESTIMONY
DEPUTY ASSISTANT SECRETARY JERROLD MARK DION
BUREAU OF INTERNATIONAL NARCOTICS MATTERS
DEPARTMENT OF STATE

to

SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL
HOUSE OF REPRESENTATIVES
March 25, 1987

CHAIRMAN RANGEL:

The Committee has asked that we provide testimony on the International Narcotics Control Strategy Report, and the new certification process based on the report, submitted to Congress on March 2, on our budget proposals for 1987-88, and other matters.

This report is the first under the new procedures created by P.L. 99-570, the Anti-Drug Abuse Act of 1986. On the basis of our report, President Reagan has certified the Bahamas, Belize, Bolivia, Brazil, Burma, Colombia, Ecuador, Hong Kong, India, Jamaica, Malaysia, Mexico, Morocco, Nigeria, Pakistan, Panama, Paraguay, Peru, and Thailand, as cooperating with the United States or having taken adequate steps on their own, in controlling production, trafficking or money laundering. The President also certified Laos and Lebanon on grounds of vital national interest. The President withheld certification from Afghanistan, Iran and Syria.

We have received numerous inquiries from Congress concerning our recommendations to the President, and the President's decisions on certification. Much of that discussion focuses on interpretations of full cooperation. It is critical to this dialogue that we bear in mind that the requirement is to certify cooperation, not success. As we explained in the INCSR, any logical assessment of a country's performance must be based upon a concept of variability. Section 481 has appropriately recognized since 1983 that our analysis should include the social, political, economic, geographic and climatic factors that affect illicit drug production. We have applied those factors to our consideration of what was a country asked to do, and what realistic capability it has to achieve those objectives. The fact is that countries are at different states of preparedness and capability to address narcotics production and trafficking.

The new process was inaugurated on October 27, 1986, when President Reagan signed the drug act -- 10 months into the evaluation year. We think the intent of the legislation was to obtain additional progress and cooperation -- and not to decertify countries. Despite the constraints on time, we think the Department did a good job of using this process to persuade governments to approve new policies and programs, to improve their eligibility for certification. As a result, the certifications in several instances are based upon both the 1986 assessment and agreements on actions to be taken in 1987 to either overcome deficiencies or improve cooperation. We respectfully submit to the Congress that this is a better usage of this law than curtailing our bilateral relationships.

Moreover, we need to consider the nature of the narcotics enterprise. You seek to legislate solutions. But all legislation is in fact a civilized appeal to reason -- that falls on the deaf ears of unreasonable people who traffic in drugs. We are dealing with a criminal enterprise. The Committee emphasizes extradition treaties, an important tool, as the Lehder case vividly illustrates. But, the task is not to make our laws work in another country, through extradition, but to help them make their laws work. Moreover, as regards production, the cultivation and harvesting of illicit narcotics is not, in even a remote context, comparable to our efforts to regulate sugar production and imports, or grains or any other regulated commodity. We can't set quotas as such, or dictate annual reductions, percentages or the like. In the long run, there is no alternative to outright bans on cultivation, enforced by eradication, with sufficient interdiction and enforcement capability to seize contraband and financial assets and to arrest and prosecute major traffickers. This is an incredibly complex, arduous and even hazardous undertaking. We're better at than we were in 1981, or even 1985, and we're getting better all the time.

With that background, let me proceed to the assigned topics, beginning with our 1987 agenda and our budgets.

The 1987 Program Agenda

For purposes of authorization, I will highlight our 1987 agenda, and explain how our proposed 1988 budget builds upon this program base. The base was significantly expanded by the Anti-Drug Abuse Act, from $60.2 million in 1986 to $118.4 million in 1987. For 1988, we are seeking $98.7 million.

Let me interject a perspective of budgets and programs. The experiences of 1986 confirm that we must maintain our program effort at current operational levels, and be prepared

to expand in the years to come. Much of that expansion must occur at the multilateral level, through increased contributions from other donor nations. The market is just too lucrative, and worldwide demand is so high that there is no realistic expectation that these traffickers will go quietly or quickly. The attempts made in 1986 to outpace eradication campaigns in Latin America and Asia convince us that traffickers will plant and replant until they know that eradication is not a one-year or two-year phenomenon, but a permanent part of the enforcement program of every source country. On our side, we have to be prepared to stay the course, to weather the spirals in price that spur increases in cultivation and production.

Latin America and the Caribbean

Latin America and the Caribbean are the source and transfer points for all of the cocaine, a third of the heroin, and much of the marijuana entering the United States. INM emphasizes both as key areas in budget and program planning.

Considerable progress has been made in eradication. While much cultivation remains to be destroyed in all three drug categories, there is also a need to raise the totals for enforcement, including arrests, seizures of contraband and seizures of the profits of drug transactions, especially monetary instruments and other assets.

The additional $53 million appropriated to INM will support a regional air wing which can operate in Mexico, Central and South America, and the Caribbean. Immediate plans call for six helicopters (and possibly two more) as well as eight fixed-wing aircraft and light utility and aerial survey aircraft. Additional funds will support a US-owned aircraft component in the Bolivian control program, and support eradication and interdiction efforts in Peru and Ecuador. New resources will provide fuel and operational support for joint interdiction efforts in the Caribbean and Central America, planned by the National Narcotics Border Interdiction System.

Mexico demonstrated in 1986 it could improve both opium and marijuana eradication; the task in 1987 is to expand both until eradication not only overtakes expanding cultivation, but begins the steady downward spiral of narcotics production that Mexico achieved in the 1970s. The joint evaluation of aerial eradication operations by outside analysts should produce efficiencies in terms of fleet size and effectiveness in both eradication and enforcement. Parallel effectiveness is required in interdiction and enforcement, particularly in arresting and convicting major figures like Felix Gallardo, in

finding and destroying heroin laboratories, and breaking the cocaine connection with Colombian traffickers. Surveys of opium poppy and marijuana should improve in 1987 and assist in planning eradication strategies.

Bolivia must demonstrate that it has the political will to sustain a crop eradication and interdiction program for as many years as it takes to contain the problem. President Paz Estenssoro displayed the political will in the joint US-GOB enforcement campaign, Operation Blast Furnace, and his Administration and the U.S. government are reaching agreement on a new approach and commitment to crop eradication as this report neared publication. A new GOB narcotics control plan was certified to Congress by President Reagan in early 1987, and an agreement on principles of cooperation on narcotics control was concluded on February 25. These principles guide the further negotiation of annexes which will implement the Bolivian plan; the annexes including a new INM program agreement should be signed within 45-60 days.

The agreement and annexes will call for voluntary eradication, commencing in 1987, supported by a new law that would designate the Yungas area as the sole region for licit coca production (not to exceed 10,000 metric tons annually), and outlaw coca production in all other areas, such as the Chapare. The proposed agreement relies heavily on the ability of a continuing interdiction effort by GOB forces, using U.S. loaned helicopters, to reduce prices farmers can earn for coca, replicating the success of Operation Blast Furnace. The goal of the Bolivian government is to eradicate 30,000 to 50,000 hectares (their estimate of total cultivation) within the first 12 months of a voluntary eradication program, drawing on non-cash assistance to assist farmers in seeking alternative livelihoods. The agreement calls for minimum eradication of 1,800 hectares in the first 12 months of the program. After the 12-month voluntary program, the Bolivian government would eradicate all other illicit coca, over a period of two years.

Peru has adopted a nationwide plan for drug control, which is being certified to the U.S. Congress, and in 1987 will continue to pursue the "second front" in the Upper Huallaga Valley. Cultivation is now concentrated in less accessible areas and INM will provide aircraft support for interdiction and eradication operations, as Peru attempts to bring eradication totals up to and beyond the 6,000 hectare level called for in original program agreements. There is need to improve on seizures while continuing the efforts to find and destroy cocaine labs and landing strips.

Colombia deserves considerable praise for withstanding the onslaught of narcotics traffickers whose mindless killings of judges, policemen, journalists and others will only cease when they are convinced by long-term jail sentences, disruption of their operations, and seizure of their assets that they will no longer be tolerated in Colombia. Colombia is encouraged to strengthen its prosecutorial systems. The apprehension and swift extradition of Carlos Lehder was extraordinary, and hopefully will be followed by the arrests of others in the Medellin cartel, like Fablo Escobar and Jorge Ochoa. The GOC could drive marijuana production below the 1,000 metric ton level in 1987, using the increased resources provided by INM. The 1987 program anticipates that all of the requirements for an aerial herbicidal campaign against coca will have been met, and the GOC can commence its program, which contemplates the eradication of 8,000 hectares. Support is also provided to continue the vital program to seek out and destroy cocaine laboratories, an increasingly hazardous undertaking which pits the National Police Special Anti-Narcotics Unit (SANU) against well-armed traffickers.

Jamaica approved plans for herbicidal eradication of marijuana. The United States is providing aircraft maintenance and logistic support for eradication and interdiction.

Interdiction in this region has improved but should achieve significant results in 1987. The Bahamas task force recommendations should be swiftly implemented; expansion of the OPBAT fleet and the installation of new radar will add strength to efforts to stop trafficking in cocaine and marijuana. Experience teaches that improved results in one or two countries send traffickers to other areas; the United States will continue exploring regional approaches to containment. INM continues to give priority to these containment programs, supported from its Latin American regional account. Manual eradication should suffice for the remaining marijuana crops in Panama, but chemical eradication programs will still be needed in Belize. The containment strategy which has worked well in those countries must be equally effective in curbing new production efforts in Guatemala, Costa Rica, Brazil, Paraguay and Venezuela, and stopping the refining of cocaine and other products in new laboratories in Argentina and elsewhere, as well as transhipments through Haiti and the Dominican Republic. Continued emphasis is also needed on Operation ChemCon which has been effective in controlling shipments of precursor chemicals to cocaine labs.

Justice officials and others should determine early in 1987 the benefits obtainable from Panama's new narcotics laws,

as part of an effort to upgrade the U.S. effort to disrupt money laundering throughout the region.

Asia and Africa

The very special concern in Asia is the rapidly growing demand for opiates in South and East Asia which will probably remain unchecked for the balance of the 1980s.

While helping in demand reduction, and urging a response from the international community, INM's immediate focus is expanding the scope of eradication and interdiction programs in Asia, and providing the training needed to upgrade narcotics enforcement in selected countries in Africa.

Burma has undertaken one of the largest eradication programs in narcotics control history, only to see it fall behind trafficker efforts in 1986 to expand opium poppy cultivation. Lacking political or police control of the primary growing areas, Burma is heavily reliant on its aerial eradication program, which INM has supported by providing five fixed-wing aircraft, while also supporting other fixed and rotary-winged craft in the program..

Thailand, already a net importer of opium to service its large opium and heroin addict populations, will continue to drive down net opium cultivation within its borders in 1987. However, Thailand remains a major transit and refining point for Golden Triangle opiates, and the goals in 1987 include arrests of major traffickers and making further inroads on the opium traffic, in part through the border interdiction project which INM supports. The United States also supports Thai efforts to eradicate marijuana.

There is a critical need for the civilian government of Pakistan to reinforce its long-standing ban on opium cultivation which was effectively applied earlier in this decade. Production will remain high in 1987, for a second year, but, this year should see the groundwork laid for sustained reductions. Plans are complete for an aerial herbicidal eradication program in the Gadoon area for the balance of the 1986-87 harvest, and outreach programs will increase to other growing areas which the United States wants to see scheduled for the development and eradication-linked strategy begun in 1983. The tribal areas now become the key to poppy control in Pakistan. Much of the increased opium production in Southwest Asia is a response to local demand; Pakistan is still the dominant refiner of heroin intended for Western addicts. INM will continue to support expansion of the Joint Narcotics Task Forces and hopes to see improvement by

these Task Forces and Pakistani Customs and other police units in destroying heroin laboratories, seizing contraband arresting major traffickers and breaking up distribution rings.

Turkey has proved effective in preventing diversion from its licit opium production, and has made inroads on illicit heroin refining and illegal opium cultivation. But, Turkey remains a major transit route to Europe and the United States. The National Police and Jandarma are responsible for interdicting illicit narcotics from Iran, Afghanistan and Pakistan, as well as controlling licit domestic opium production, and will continue to be supported by INM in 1987.

The additional funding INM received in 1987 will permit assistance to Egypt, India, Nepal, Jordan, Sri Lanka, Malaysia, Indonesia, Nigeria, Kenya and Mauritius, all of which have experienced recent increases in drug trafficking.

Other 1987 Agendas

The Department will continue to support a variety of international programs and agencies, including INM contributions to the United Nations Fund for Drug Abuse Control, which supports multilateral law enforcement efforts in Southwest and Southeast Asia, Africa and South America. The goal is to promote further utilization and support for the Fund in 1987, in both volume and by number of countries.

Support continues for the law enforcement training and executive observation programs managed by DEA and Customs.

INM will promote an even more comprehensive interagency program in 1987. Collaboration with DEA, which customarily includes a broad range of interactions overseas on planning and executing eradication and interdiction programs, and joint planning of strategies in Washington, should intensify as INM builds and deploys its regional air wings. The two agencies will also work closely on the new narcotics rewards program.

A key agenda for INM, DEA and the narcotics intelligence community will be the upgrading and refinement of narcotics data. Priorities here include not only better data on cultivation, yield, net production, refining and distribution, but also on assessments of trafficking organizations, patterns, money laundering methods, and other information which will permit State, Justice and others more accurate assessments of their organizational vulnerabilities.

The FY 1988 Budget

Planning for the proposed FY 1988 budget was based upon a FY 1987 Congressional request of $65,445,000. Through the Anti-Drug Abuse Act of 1986 (PL 99-570), INM received an additional $53,000,000, bringing the FY 1987 budget to a total of $118,445,000. A spending plan adjusting the 1987 budget to reflect additional appropriations was submitted to Congress in December.

Latin America. For FY 1988, the request supports a full-fledged aerial campaign against cannabis in Colombia, as well as continuing experiments with aerial eradication of coca, and a continuing program to suppress cocaine refining. INM will continue aerial eradication of cannabis in Belize and Mexico and support improved implementation of the Mexican campaign against opium poppies. The inter-regional air fleet will be expanded in 1987. Current planning calls for introduction of aerial eradication testing of coca to Ecuador in 1987. INM will continue to explore extension of herbicidal eradication into Peru where an expanded eradication front began in FY 1986-87. (The circumstances of production in Peru make it unlikely, however, that we will move beyond manual eradication during 1987-88.) FY 1988 resources will also support coca eradication programs in Bolivia, anticipating completion of a program now under negotiation to implement in 1987 the renewed Bolivian Government commitment. Jamaica will also continue to receive funding for aircraft support for interdiction operations and chemical and manual eradication activities. (In previous years Jamaica was supported from the Latin America Regional fund.)

Enforcement assistance will continue to play a dominant role in the Peruvian and Bolivian programs where there is an overwhelming need to provide security for other narcotics control efforts. Modest amounts are included in various country programs for drug abuse education/prevention to provide technical assistance to countries trying to cope with drug abuse problems.

Eradication programs for countries such as Panama, Belize, Costa Rica and Guatemala are included in the Latin America Regional program account.

East Asia. The aerial eradication program begun in 1985 by the Socialist Republic of the Union of Burma (SRUB) with U.S. Government-funded aircraft, equipment, and training, has allowed the SRUB to destroy opium poppy in previously inaccessible areas controlled by anti-government insurgents. Funds are included in the FY 1988 budget to procure replacement

fixed-wing and rotary-wing transport aircraft which will enable the Burmese Government to carry out further operations aimed at narcotics producing and trafficking. INM will also support the ongoing program to maintain and repair rotary-wing and fixed-wing aircraft previously supplied to the Burma Air Force.

The FY 1988 budget provides increased funding to help the Royal Thai Government further reduce opium poppy cultivation by continuing assistance to farmers who agree not to cultivate poppy or whose poppy crop is eradicated. The joint goal is the elimination of commercial opium production in Thailand by 1990. Funds are also included to continue support to Thai paramilitary forces who interdict trafficking and refining along the Thai/Burma border and to enhance the narcotics investigation capabilities of police units.

Southwest Asia. Much of the funding for the development assistance programs that facilitate Pakistani enforcement of the ban on opium cultivation is being provided by the United States and other donors through the UNFDAC-administered Special Development and Enforcement Program. In FY 1988, INM plans to support the extension of Pakistan's ban on opium poppy cultivation by introducing improved agricultural crops and by making minor improvements on irrigation systems as part of INM's continuing agricultural outreach program in the Malakand and Dir areas. INM will also pursue other outreach activities to prevent the spread of opium poppy cultivation and to help poppy growers substitute other new crops in areas where major development assistance projects are not being carried out.

INM will continue to provide commodities to support the narcotics interdiction capabilities of both the Turkish National Police and the Jandarma. Funding is included for a regional telecommunications advisor in Pakistan to work with counterparts in Turkey, Pakistan, Burma, Thailand, and other countries in the region. Limited commodity support for other enforcement activities in Southwest Asia may also be provided as requirements are identified.

International Organization and Inter-Regional Training. Under the FY 1988 international narcotics control training program, INM will fund U.S. Drug Enforcement Administration and U.S. Customs Service training of approximately 2,100 foreign officials from 40-45 countries through 43 in-country programs, 14 programs in the United States, and 30 Executive Observation Programs. There will also be increased emphasis on other INM-sponsored programs, e.g., maritime interdiction training and narcotic detector dog training.

The INM demand reduction program contributes to international narcotics control by mobilizing support for narcotics control policies and programs in key producer and transit countries. These projects encourage greater political and public awareness of the link between domestic drug abuse, international trends in production and trafficking, and the steps which societies and governments can take to control the problem. The program also provides technical assistance in the areas of drug abuse prevention, treatment, and related research to help countries such as Pakistan, Ecuador, and Bolivia deal with their domestic drug problems.

The FY 1988 International Organizations budget will provide funding for the United Nations Fund for Drug Abuse Control (UNFDAC), Colombo Plan efforts for regional narcotics control activities, and expanded drug education and prevention programs in selected countries.

1987 Legislative Agenda

The amendments we seek include changing the certification process required by Sec. 481(h), as amended by P.L. 99-570.

As amended by P.L. 99-570, the Anti-Drug Abuse Act of 1986, the implementation of security and development assistance programs have been complicated by the requirements for certifying the adequacy of cooperation on narcotics control. The provisions compel the Department to (a) predict which countries will meet the criteria as major drug producing and major drug transit countries, and (b) withhold at least 50 percent of allocated assistance until March 31, when necessary certifications will be issued and become effective. This caused particular problems in implementing the FY 1987 assistance program for Jamaica, and other problems are anticipated this year and in the future.

The proposed changes would preserve the core of the existing certification process, but eliminate the detrimental operational impacts. The changes are: (1) the restriction on providing assistance to major producers or transit countries would not apply to the current fiscal year (the year of certification) but would apply to the following year after which the certification decision is made; (2) NATO members would not be subject to certification, but could be reported on in the Department's annual report, if their narcotics production or trafficking met the standard; (3) the cut-off of funds prospectively applies only to the twenty most significant producer countries and twenty most significant transit countries, as determined by minimum quantitative standards

(current law has no objective standards for defining major transit countries).

We recommend the repeal of Sec. 2013 of P.L. 99-570. These reports are unnecessary and duplicative, given the wealth of information provided by the INCS, and needlessly complicate the provision of foreign assistance.

We think the withholding of INM eradication funds for Mexico, pursuant to Section 2030 of P.L. 99-570, is an ill-considered step by the Congress, in effect reducing the level of effort of the opium and marijuana eradication campaigns, which benefit the United States, until prosecution is complete in the Camarena and Cortez cases. We and Justice share your concern and priority for the success of these prosecutions. But, no purpose is served by linking eradication funds to the judicial process.

We understand why Congress sought, in Sec. 2003, to compel INM and other bureaus to retain title to aircraft, but, the sanction is too sweeping and interferes with legitimate conduct of our narcotics program. We need flexibility, that is simply not provided by the long-term loan or lease arrangements afforded by this statute. Your goal, as we know it, was to compel us to retain title to our regional air wing and also to preclude us from giving title to additional aircraft for Mexico. We have every intention of keeping title to the regional airwing, because we need maximum control over its deployment. We are awaiting the outcome of an independent evaluation of the Mexican narcotics airfleet, which we believe will inevitably lead to downsizing and more efficiency. We are willing to defer further arguments on titling for aircraft for Mexico until we have shared the results with you. But, your concerns in these two areas should not result in a global restriction on our ability to assign aircraft.

OPENING STATEMENT

OF

CONGRESSMAN WALTER E. FAUNTROY
(D.,D.C.)

BEFORE THE

SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

HEARING ON THE

INTERNATIONAL NARCOTICS CONTROL PROVISIONS OF
THE ANTI-DRUG ABUSE ACT OF 1986 - AND
BUDGET DECISION MAKING

MARCH 25, 1987
10 AM

1310 LONGWORTH

THIS MORNING I WANT TO SPECIALLY WELCOME JAMES C. MILLER DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET AND MARK DION, DEPUTY ASSISTANT SECRETARY OF STATE, BUREAU OF INTERNATIONAL NARCOTICS MATTERS.

YOUR TESTIMONY THIS MORNING, AND YOUR ANSWERS TO THE MANY QUESTIONS WE HAVE, WILL BE OF UTMOST IMPORTANCE IN FILLING THE MYSTERIOUS VOID BETWEEN "PUBLIC STATEMENTS" AND ACTUAL "BUREAUCRATIC PROFORMANCE".

WE ARE AT A CROSSROADS IN POLITICAL ACCOUNTABILITY BY ELECTED AND APPOINTED OFFICIALS OF THE GOVERNMENT OF THE UNITED STATES. THE AMERICAN PUBLIC DESERVES AN EXPLANATION OF THE WIDE GAP BETWEEN MYTH AND REALITY IN OUR STATED GOALS FOR THEIR WELFARE--AND OUR COLLECTIVE EXECUTION OF THOSE GOALS.

IN THE LAST WEEKS OF THE 99TH CONGRESS, IN ONE OF THE MOST HISTORIC AND UNANIMOUSLY BIPARTISAN ACTIONS OF THE UNITED STATES CONGRESS IN RECENT YEARS, WE VOTED FOR THE OMNIBUS ANTI-DRUG ACT OF 1986, AND THE PRESIDENT OF THE UNITED STATES SIGNED THAT LEGISLATION MAKING FULL AND PUBLIC COMMITMENT TO THE PROGRAMS OF THAT ACT.

TODAY, WE WANT YOU TO TELL US WHAT WENT WRONG -- AND WHERE THESE PROMISES WERE NOT KEPT.

THE BUDGET FOR FY-88, AS EVERYONE NOW KNOWS, MAKES A MOCKERY OF THE PRESIDENT'S PUBLIC STATEMENTS AND PROMISES. MR. MILLER, WAS THIS <u>YOUR</u> BUDGET, THE PRESIDENT'S BUDGET, OR THE BUDGET DESIGNED BY SOME "ENEMY OF THE AMERICAN PEOPLE" SERVING AS A "MOLE" IN YOUR OFFICES?

OUR HEARING THIS MORNING SHOULD ANSWER SOME OF THESE CRUCIAL QUESTIONS. YOUR PRESENCE HERE IS A VALUABLE COMMITMENT TO

DEMOCRATIC PROCESS AND I PERSONALLY THANK YOU FOR PARTICIPATING IN THIS EFFORT TO EXAMINE THE ISSUES.

I ALSO WANT TO WELCOME MR. MARK DION AS HOPEFULLY THE PERSON FROM THE DEPARTMENT OF STATE WHO CAN SHED SOME LIGHT ON THE PROBLEMS WE FACE IN SOUTH AMERICA AND WHO CAN GIVE US MORE CONCRETE ANSWERS ON OUR STATE DEPARTMENT POLICIES IN MEETING THESE NEW, OVERWHELMING CHALLENGES AND THREATS TO DEMOCRACY, PUBLIC SAFETY, AND PUBLIC HEALTH IN THE WESTERN HEMISPHERE.

IT IS MY HOPE THAT IF THESE IMPORTANT ANSWERS DO NOT EMERGE FROM OUR MUTUAL SEARCH THIS MORNING THAT WE CONTINUE WITH FUTURE HEARINGS THAT EXAMINE THE CYNICAL GAP BETWEEN PUBLIC STATEMENTS AND GOVERNMENT PREFORMANCE IN THE FUNDING OF THE OMNIBUS ANTI-DRUG LEGISLATION AND ITS PROGRAMS THROUGH THE FY 88 AND FY 89 BUDGET YEARS.

THANK YOU FOR YOUR PARTICIPATION WITH US.

* * * * *

March - kg.

Statement

Of

JOHN C. LAWN
Administrator
Drug Enforcement Administration

Before

The

Select Committee on Narcotics Abuse and Control
House of Representatives

Concerning

International Narcotics Control
Relative to the Anti-Drug Abuse Act of 1986

On

March 25, 1987

Chairman Rangel, and Members of the House Select Committee on Narcotics Abuse and Control: I am pleased to discuss the international narcotics situation and the implementation of the international narcotics control provisions of the Anti-Drug Abuse Act of 1986 by the Drug Enforcement Administration.

DEA's mission abroad is to reduce the supply of illegal drugs from foreign source and transit countries. To accomplish this, DEA has special agents, diversion investigators, intelligence analysts, and support personnel stationed in 64 offices in 43 countries outside the United States, in addition to our domestic offices.

The Anti-Drug Abuse Act of 1986 enhanced DEA's operations in foreign cooperative drug investigations and in intelligence gathering with an increase of 65 positions and $9 million. DEA is proposing that 40 of these positions be used for special agents, most of whom would be assigned to South and Central America. It is anticipated that having additional special agents in countries that are primary sources for cocaine or transshipment areas could aid these countries in destroying coca crops and laboratories, increasing their seizures of cocaine, and arresting traffickers.

In addition, Congress earmarked $13 million for air operations, including $8.4 million for specific aircraft equipment for use in cocaine programs. Requests have been

submitted for the purchase of these aircraft. The additional aircraft and the manpower increases of 11 positions will enable DEA to be more effective in South America, Central America, and Mexico to reduce the flow of cocaine into the United States.

Today, I will describe drug control efforts around the world and will further address your concerns about DEA's implementation of provisions of the Anti-Drug Abuse Act of 1986.

South America

This past year cooperative efforts initiated earlier between Latin American countries and the United States, and among individual Latin American countries were expanded and further refined. I would like to give you an overview of the status of enforcement in several Latin American countries.

President Alan Garcia of Peru has been strongly supportive of drug law enforcement. He has reorganized the Peruvian police for more effective anti-drug operations. In addition, the Peruvian Air Force has given some support to police in eradication and enforcement efforts by providing logistical support and equipment.

The traffickers are prepared to fight these efforts. Just a few weeks ago, DEA's country attache and the chief of Peru's anti-narcotics police narrowly escaped a rocket attack in the

Peruvian jungle as they were observing a drug enforcement operation. A military helicopter was blown up and a policeman was killed.

Although there has been a decrease in the amount of hectares eradicated from 1985 to 1986, the numbers do not reflect the continued emphasis Peru has placed on the eradication program. In 1986 there was a tremendous increase in the level of violence against the eradication workers by the coca growers; 29 eradication workers were murdered, with some tortured prior to their death. The political instability in the growing areas has also contributed to the decrease in eradication levels. Peru, however, continues to show its resolve by increasing its enforcement and coca eradication efforts.

Since 1985 Peru has seized in excess of 55 metric tons of cocaine paste and base. Furthermore, 166 clandestine airfields were identified as part of cocaine smuggling operations and were seized and disabled. Various assets were also seized by the Peruvians in 1986; totaling more than $2 million, they included real property, aircraft, cars, boats, and electronic communication equipment.

These efforts have been concentrated in the vast Amazon jungle region near the border with Colombia. Transporting the Peruvian police officers and supplies to these remote locations has proven to be one of the greatest difficulties in carrying out

these raids. DEA and INM are working with the Peruvians to help overcome this obstacle. In a recent agreement, Peruvian police will be provided with three helicopters for enforcement field operations.

Colombia has continued to be active on several fronts in drug enforcement during the past year. Eradication of cannabis in northern Colombia has continued to expand. However, police action against cocaine hydrochloride laboratories during 1986 was diminished in comparison to the previous two years, although 50 small labs have been seized since December 1986 and several larger labs are pending seizure. Colombia has recently appointed a new head of narcotics law enforcement, and we anticipate an increase in enforcement action.

Colombia, along with Mexico, has been a principal supplier of marijuana to the United States. This past year, the Colombian Government realized its most successful aerial eradication campaign by destroying large quantities of cannabis, primarily in the traditional growing areas in the northeast part of the country. Approximately 10,000 hectares were sprayed with herbicides; this would have yielded about 11,000 metric tons of marijuana.

Despite this eradication effort by the National Police, campesinos continued to cultivate large quantities of marijuana throughout the northeast growing areas.

In a much publicized extradition, Carlos Lehder, a key member in the Colombian cocaine trade, was captured by Colombian authorities on February 4, 1987 and extradited the same day to the United States. He is scheduled for trial in the Middle District of Florida on April 20, 1987.

The current administration, which took office in August 1986, approved its first extradition last month. The number of extraditable fugitives apprehended in 1986 in Colombia decreased in comparison with that of the previous year. I must emphasize that the past two years have been turbulent for Colombia and repeatedly marked with tragedies.

In December 1986, the Colombian Government issued five new decrees designed to restore public order and combat narcotics trafficking. These decrees include measures to encourage giving information, to control arms possession, to regulate aircraft and ship use, and to outlaw sales of the fast motorcycles that have been used in recent assassinations of public officials. The fifth decree, to transfer jurisdiction for certain narcotics offenses to military courts, is under examination by the Colombian government.

Colombia has passed legislation to allow it to seize property associated with drug trafficking. The Colombian Government also signed an extradition treaty with the Dominican Republic in April 1986.

We are encouraged by the progress this year in **Bolivia** where we helped the Bolivians destroy a number of clandestine cocaine laboratories. During the summer of 1986, at great political risk, the Bolivian Government requested that the U.S. furnish Bolivian anti-narcotics police with U.S. helicopters to transport them to remote sites to raid large cocaine hydrochloride laboratories. I will describe Operation Stop Prop/Blast Furnace later in more detail.

Subsequent to last year's cooperative efforts, the United States trained Bolivian Police to fly helicopters and operate boats on the rivers for further raids. An agreement on principles of cooperation for further narcotics control was recently concluded between Bolivia and the Bureau of International Narcotics Matters (INM). This proposed agreement would enlarge the scope of the previous Operation Stop Prop/Blast Furnace through continuing interdiction efforts using U.S. helicopters, as well as an enhanced program of eradication.

In **Ecuador**, President Leon Febres-Cordero and his government are fully behind the eradication of coca cultivation, and the elimination of coca processing and trafficking. In relation to South America's narcotics production and trafficking, Ecuador has principally been a transit country. Coca products from Bolivia and Peru have moved through Ecuador on their way to Colombia for final processing and distribution. It is currently estimated that four to six tons of cocaine paste, base, and hydrochloride transit Ecuador each year.

In addition, during 1985 and 1986, large amounts of precursor chemicals used in the processing of cocaine were imported into Ecuador. Most of these chemicals were destined for clandestine laboratories in Colombia.

Ecuador also produces some of its own coca products, primarily coca leaf and coca paste. Most of the coca paste is transported to Colombia for final conversion to cocaine hydrochloride, although there are recent indications that increasing amounts of conversions are being performed in Ecuador. For example, last month a cocaine hydrochloride laboratory exploded in Ecuador, killing two persons.

Brazil participated in and conducted a wide variety of unilateral and multilateral drug enforcement operations against the marijuana and cocaine traffic. DEA is working with the

Brazilians in an extensive cannabis eradication program in northeast Brazil where most of the cannabis is grown. During 1986, Brazilian police seized and destroyed more than 10 million cannabis plants, more than 5,000 kilograms of processed marijuana, and 75 marijuana plantations.

Brazil eradicated 80 to 100 hectares of coca, and seized more than 800 kilograms of coca paste and base in 1986.

Brazil is initiating a riverine program along the Amazon River which involves daily patrols looking for cocaine laboratories and shipments of precursor chemicals moving toward those laboratories. Brazil has bilateral agreements with Colombia and Venezuela for the exchange of intelligence information and/or evidence.

To assist in the multilateral Operation Chem Con, which I will describe in a moment, the Brazilian Police created an enforcement group with the sole task of monitoring and seizing essential chemicals used to convert coca base or paste into cocaine hydrochloride.

Although **Venezuela** is not yet a significant source country for marijuana or cocaine, there is cannabis cultivation along the Colombian/Venezuelan border in the Perija Mountains. The Venezuelan National Guard discovered and uprooted approximately 4.2 million cannabis plants in 1986. Recently, the National

Guard discovered a marijuana processing installation and seized approximately 26 metric tons of marijuana in 50-pound sacks; the growers were believed to be Colombians.

DEA is working with Central American and Caribbean source and transit countries, such as Guatemala, Belize, Jamaica, the Dominican Republic, and Mexico. **Guatemalan** officials have reacted swiftly against cannabis and opium cultivation by manually destroying fields.

Moderate quantities of cannabis are being grown in **Belize**; it is also a transit country for cocaine smuggled from South America and destined for the United States. Approximately 2,400 hectares of cannabis, or about 80 percent of Belize's crop was eradicated in three spraying operations in 1986. Belize continues to apply pressure on cannabis cultivation.

Jamaica is a large supplier of marijuana, hashish, and hashish oil. Jamaica continued to make significant progress through a successful cannabis eradication program despite indications of increased cultivation.

During 1986, the Jamaican government reported the manual eradication of over 5,400 acres and the seizure/destruction of 431,000 pounds of cured marijuana. Compared to 1985, this represents an increase of 22 percent in acres eradicated and a 97 percent increase in cured marijuana seized and/or destroyed. On

January 22, 1987, the Jamaican Security Forces reported a record seizure of 109,200 pounds of cured marijuana. During 1986, the Jamaican Defense Force conducted an operation in which over 20 illegal airstrips were destroyed with cratering charges.

The Jamaican government cleared obstacles towards Jamaican ratification of a new U.S.-Jamaican extradition treaty. This treaty had been ratified by the United States in August 1984.

The Dominican Republic is cooperating closely with DEA to share intelligence relating to narcotic traffickers. Due to enforcement efforts in Colombia and the Bahamas, Colombian drug traffickers are trying to establish bases of operations in the Dominican Republic for smuggling. This can be seen in the December 1986 incident where the Dominican Air Force shot down a smuggling aircraft loaded with a reported 400 kilograms of cocaine en route to the Bahamas from Colombia.

Mexico continues to be a major source of the heroin and marijuana available in the United States. In addition to the traditional brown heroin, Mexico also supplies the United States with "black tar" heroin, so called because of its dark color and gummy consistency. The process by which black tar heroin is produced is a variation of the processing method used to manufacture traditional brown heroin. Of particular concern to the United States are the high purity levels of this black tar heroin.

Unfortunately, ideal growing conditions have continued in Mexico for the fourth consecutive year. Agriculture, in general, and opium poppy cultivation, in particular, flourished. It is estimated that approximately 2.8 metric tons of heroin were exported to the United States from Mexico in 1986, which is about the same as the prior year. For 1986, Mexican authorities reported that 46.9 kilograms of heroin had been seized throughout Mexico, a considerable increase over the 8.8 kilograms seized in 1985.

The Mexican Attorney General's Office reported that 192 metric tons of marijuana were seized during calendar year 1986. Additionally, 7,201 persons were reported arrested for marijuana-related offenses.

The use of Mexico as a transshipment point for cocaine destined for the United States is well-documented. Heightened law enforcement activity in the southeastern United States and the Caribbean is partially responsible for the diversion of cocaine through Mexico. Colombian cocaine trafficking organizations continue to dominate all aspects of the international trafficking of cocaine to the United States. There are, however, a number of major Mexican organizations who, upon delivery of the cocaine in Mexico, provide the final wherewithal to smuggle the cocaine into the United States. Colombian

trafficking organizations have become aligned with Mexican traffickers to take advantage of the Mexicans' heroin and marijuana smuggling and distribution networks already in place in the United States.

In 1985 it was estimated that approximately one-third of the cocaine available in the United States transitted Mexico prior to its importation into the United States. Although there is no official comparable estimate for 1986, seizure statistics indicate that Mexico continues to be a major transshipment point for cocaine en route to the United States. In 1986, over 5,500 kilograms of cocaine were reported seized in Mexico, which is twice the amount seized in 1985 and more than ten times the amount reported seized in 1984, which was 444 kilograms.

The February 1985 kidnapping and subsequent murder of DEA Special Agent Enrique Camarena Salazar, as well as the August 1986 torture of Special Agent Victor Cortez by Jalisco State Police, severely strained bilateral law enforcement efforts in Mexico, and have drawn greater attention to the Mexican narcotics production and trafficking situation.

Bilateral enforcement efforts may be enhanced through the mutual legal assistance treaty that has been drafted and has the support of the Attorneys General and Presidents of both the United States and Mexico. This treaty will serve as a mechanism

through which each government may request and expect formal cooperation and assistance regarding the collection of evidence, witness testimony, and other investigative and judicial procedures.

Cooperative Federal and International Efforts

DEA is currently involved in several cooperative operations that target the production of narcotics in Latin America and its influx into the United States.

Operation Vanguard is part of the United States-Mexican bilateral eradication campaign which uses aerial reconnaissance for the purpose of detecting illicit cultivation of opium poppies and cannabis and verifying their eradication. This program has identified sizable increases in cannabis and opium poppy cultivation in previously purported eradicated areas, as well as in nontraditional growing sites.

Resources for the Mexican eradication campaign are supplied by the Bureau of International Narcotics Matters (INM) of the State Department. However, DEA plays a vital role in this campaign. DEA agents supply information to the eradication campaign on the locations of fields under cultivation. They also participate in the verification of the eradication efforts.

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Operation Vanguard has had a generally successful year with a 90 percent verification rate on fields sprayed by the Mexican Government. Both the United States and Mexico have reaffirmed their commitments to the eradication campaign in Mexico.

In August 1986, the Vice President as head of the National Narcotics Border Interdiction System and the Attorney General as Chairman of the National Drug Enforcement Policy Board announced the commencement of **Operation Alliance** on the Southwest border of the United States. It is a multi-agency law enforcement interdiction effort aimed at curtailing the flow of illicit drugs from and through Mexico into the United States.

The primary agencies involved in the actual interdiction activity are the U.S. Customs Service, the U.S. Border Patrol, the U.S. Coast Guard, and DEA. U.S. Customs has primary responsibility for air and ports of entry interdiction. The U.S. Border Patrol has been charged with land interdiction responsibility between the ports of entry, and the U.S. Coast Guard has primary responsibility for sea interdiction. Each agency is conducting separate operations as a part of the umbrella heading of Operation Alliance. These agencies are supported by state and local law enforcement agencies in border states and by several other Federal agencies.

DEA has primary responsibility for providing strategic and tactical narcotic trafficking intelligence, and is responsible for pursuing all domestic and international drug investigations resulting from Operation Alliance. DEA has committed sizable investigative and intelligence resources to support Operation Alliance, including the increase of its permanent special agent work force in southwest border offices by 55 special agents during 1986. DEA now has 163 special agents committed to Operation Alliance. In addition, 11 special agents have been added to DEA's offices in Mexico, and this has enhanced the collection of tactical drug interdiction intelligence in Mexico.

In support of this operation, DEA established the U.S. Southwest Border Intelligence Task Force to provide strategic assessments of all aspects of drug trafficking from Mexico to the United States. DEA offices in Mexico support Operation Alliance by reporting to the El Paso Intelligence Center (EPIC), on a daily basis, aircraft sighted at airfields within their geographic areas of responsibility. EPIC then provides the reporting offices and U.S. Customs air interdiction offices along the border with background data on suspect aircraft. EPIC processed 950 aircraft sightings from DEA within a five-month period, of which 50 were positive hits on suspect aircraft. Five of these suspect aircraft were seized following their foreign sighting.

Operation Full Press, which began this past October, is a DEA special enforcement operation conducted with the U.S. Border Patrol and supported by the U.S. Customs Service within Operation Alliance. Operation Full Press is directed toward the interdiction of narcotics between and at the ports of entry and the initiation of follow-up investigations and prosecutions.

Operation Full Press, in its initial four-and-a-half months of operation, achieved immediate tactical success which was highlighted by a total of 242 investigative case initiations, 296 arrests, and seizures of more than 15,000 kilograms of marijuana, more than 500 kilograms of cocaine, 36,000 dosage units of Mandrax (methaqualone), approximately $66,000 in cash, and 94 vehicles.

In support of the overall Operation Alliance initiative, DEA has delegated limited narcotic arrest, and search and seizure authority to approximately 2,800 U.S. Border Patrol agents who were trained in narcotic-related subjects and drug interdiction methods by DEA. We believe that Operation Full Press has been successful because the U.S. Border Patrol's new expertise in drug law enforcement techniques enhanced its existing professional approach to border interdiction.

For several years, DEA has spearheaded **Operation Chem Con** to reduce the availability of essential chemicals used in the illicit manufacture of cocaine hydrochloride and other drugs. In 1986, approximately 2,000 55-gallon drums of ether were seized in the United States and abroad. This amount of ether would have produced more than 24,000 kilograms of cocaine hydrochloride. In addition, more than 1,000 55-gallon drums of acetone were seized as a result of Operation Chem Con last year. This could have processed about 12,000 kilograms of cocaine.

In 1986, as in 1985, Chem Con seizures of ether decreased from the prior year. This decline occurred because of increased enforcement by countries in which cocaine labs are located, the intelligence effort by source countries, and the voluntary denial of suspicious shipments by the ether producers. Thus, even though there was a decrease in seizures, we consider it a success -- one achieved through cooperation of law enforcement agencies and private firms in several countries.

In fiscal year 1987, DEA will continue to expand the base of countries cooperating in Operation Chem Con. We will focus efforts on Colombia, Ecuador, Venezuela, Bolivia, and Peru, countries which use essential chemicals to produce drugs; and Brazil, Argentina, and Chile, which produce essential chemicals used in illicit drug production.

The United States has been working closely with the Bahamian Government to improve the interdiction of drugs smuggled through that key transit country. The Anti-Drug Abuse Act of 1986 established a **U.S.-Bahamian Drug Interdiction Task Force** made up of the U.S. Customs Service, the U.S. Coast Guard, DEA, and the Bahamian authorities. The Task Force, an extension of Operation BAT which is discussed below, includes provisions for the joint operation of additional interdiction pursuit helicopters, improved communications capabilities, and construction of a marine repair and maintenance base in the Bahamas. In order to fully implement the task force, studies are being conducted in the areas of communications, logistics, intelligence, and air and marine operations.

Mr. Chairman, you have asked DEA to discuss our cooperation with the military in support of drug matters. DEA works closely with the Department of Defense in a variety of matters including drug control efforts by foreign nations. These efforts are coordinated with the Department of Defense Drug Task Force and the National Narcotics Border Interdiction System. Two of our greatest successes with the Department of Defense have been Operation Stop Prop/Blast Furnace and Operation BAT.

Operation Stop Prop/Blast Furnace was conducted during the summer of 1986 and was initiated pursuant to the request of the Bolivian Government. Under this operation, six U.S. Blackhawk helicopters and a support contingent of 175 U.S. troops were deployed to Bolivia from July to November 1986. DEA special agents in Bolivia on temporary duty coordinated these operations. These U.S. resources gave the Bolivian anti-drug police a striking range they had never before possessed and permitted them to reach and raid large cocaine hydrochloride laboratories that had been built in the remotest corners of Bolivia's extensive eastern jungle plains.

With the support of these helicopters, Bolivian police seized and destroyed 21 cocaine hydrochloride laboratories and 24 transshipment points. These laboratories had an estimated weekly production capacity of 15 tons of cocaine. Also seized were large quantities of precursor chemicals and various assets. The Bolivian cocaine hydrochloride manufacturing industry was virtually shut down for four months.

Operation BAT, which has existed since 1982, operates in the Bahamas and the Turks and Caicos Islands. It is estimated that as much as 60 percent of the cocaine and marijuana in the United States transits the Caribbean from source countries through the Bahamas, Turks and Caicos Islands. Further, it is estimated that

as much as 30 percent of the drugs transitting the Bahamas are off-loaded in some fashion in Bahamian territory for onward shipment to the United States.

Among the objectives of Operation BAT are the disruption of the flow of marijuana and cocaine transitting this area en route to the United States; an attempt to close the islands to smugglers for use as aircraft refueling stops, storage locations and staging points; the identification of major smuggling organizations by their aircraft and pilots in the area; and the providing of additional training to the host country's narcotics and law enforcement officers.

In Operation BAT, Bahamian officers are ferried to their islands in U.S. military helicopters to make drug seizures and arrests. They are accompanied by DEA agents. In calendar year 1986, Operation BAT-assigned aircraft flew 1,849 sorties for a total of 3,104 hours, and were responsible for the seizure of: 3,291 kilograms of cocaine; 42,271 kilograms of marijuana; 8 vessels; 13 aircraft; and 3 vehicles. During a recent 10-day period, Operation BAT efforts resulted in the seizure of more than 900 kilograms of cocaine, approximately 900 kilograms of marijuana, 17 arrests, and the seizure of 3 aircraft and one vessel.

In another joint operation, several U.S. Government agencies, including DEA and the Department of Defense, are joining with Panama, Venezuela and Jamaica for maritime surveillance and interdiction operations.

Other International Operations

DEA and the State Department have begun an exchange of information as a part of the State Department's Automated Visa Lookout System (AVLOS), as required under Title II, Section 2011 of the Anti-Drug Abuse Act of 1986. U.S. consular offices overseas are tied to a main computer in order to check foreign nationals who request a visa to enter the United States. Problems in their background, including drug-related offenses, would alert the State Department and may prevent them from receiving a visa.

You have asked DEA to comment on our compliance with the modification to the Mansfield Amendment in Title II, Section 2008 of the Anti-Drug Abuse Act. The Bureau for International Narcotics Matters sent a cable to all diplomatic posts in November 1986, transmitting these modifications, and DEA is proceeding to implement the new law.

Southeast Asia

Although we tend to focus on South America as the source of much of the illicit drugs entering the United States, drug production, trafficking, and abuse are no less significant in Southeast Asia, Southwest Asia, and Europe.

In Southeast Asia, the governments of Burma and Thailand have continued their efforts to stem the production and trafficking of the drugs that originate in this area -- heroin and marijuana.

Burma continues to conduct an active campaign against narcotics cultivation and production through both an aggressive aerial poppy eradication campaign and Burmese Army operations aimed at narcotics production centers and trafficking routes. At the same time, factors, including ideal weather conditions, have combined to result in a significant increase in opium cultivation. This increase in the opium crop and Burma's insurgent situation will continue to strain their limited resources.

Thailand continues to be a consistent ally in drug control objectives. The Thai Government has sponsored continuing opium and cannabis eradication programs. One area of concern in Thailand is the effectiveness of the opium eradication program.

Recent reports indicate that this program may not have been as successful as previously believed. Thailand carried out its second major cannabis eradication effort last year when it seized approximately 2,000 tons of fresh marijuana.

Thailand's most important role in international narcotics trafficking has been as a conduit for opium products produced in Burma and Laos and destined for other countries. The Thai Army and law enforcement authorities continue to apply pressure on major trafficking groups. As a result, arrests and seizures remain at commendably high levels. For years, DEA has enjoyed an extremely productive relationship with its Thai counterparts. The acceptance and implementation of laws targetting traffickers for financial investigation and asset removal will greatly enhance our joint efforts in Thailand.

There were a number of significant seizures in Thailand during 1986. One involved 136 kilograms of heroin which were concealed inside a shipment of sports shirts that were awaiting shipment to the United States, via Panama, by maritime cargo.

Laos continues to increase the production of both opium and marijuana, with indications that these increases in production are tied to improving Laos' economic situation.

Kampuchea has recently been linked to the trafficking of opium and marijuana from Thailand and Laos. There are also reports of a limited amount of cannabis cultivation taking place in Kampuchea.

Another Southeast Asian country, **Malaysia**, has shown its resolve against heroin trafficking within its borders by mandating its courts to sentence to death all persons convicted of possession of more than 15 grams of pure heroin. Since 1975, over 120 persons have been sentenced to death for drug trafficking. To date, approximately 36 have been executed, including 2 Australian nationals who were hanged this past year.

The size and number of Southeast Asian heroin seizures made in the United States and in Europe over the past several years strongly indicate that more SEA heroin will continue to enter the United States where the potential for greater profits exists. In New York alone, approximately $1 million in cash from Southeast Asian heroin sales was seized overall during the last quarter of 1986.

Southwest Asia

DEA estimates that approximately 40 percent of the heroin consumed in the United States originates from Southwest Asia. The major heroin production countries in SWA are Pakistan and

Afghanistan, with significant production also occurring in Iran, Lebanon and Syria. These countries commonly send their heroin to the United States through the principal transit countries of India, Egypt, Nigeria, the United Arab Emirates, Turkey, as well as through Western European nations.

Pakistan reduced its opium production from 1979 until 1985, due to a combined program of eradication and crop substitution. However, opium production increased significantly in 1986. Pakistan is also a major conversion point for Afghan and Pakistan opium into heroin, and serves as a transshipment point for heroin and hashish coming out of Afghanistan and destined for the United States.

Pakistan is currently working with the United States and other concerned governments to conduct a "Foreign Enforcement Agencies Cooperative Program." The Government of Pakistan permits the stationing in Pakistan of foreign drug enforcement personnel, who initiate and conduct investigations of international drug smuggling. The Government of Pakistan now permits drug shipments to leave Pakistan for controlled deliveries abroad.

There is a United States/Pakistan extradition treaty to reach Pakistani violators under indictment in the United States. In addition, Pakistan is now studying ways to amend its laws to

allow the admission of new kinds of evidence and is moving towards enactment of an asset seizure law.

Pakistan has demonstrated increased enforcement activity against the production of semi-refined and refined narcotics and is taking enforcement actions against some drug trafficking syndicates based in Pakistan. Pakistan seized approximately 2,600 kilograms of heroin within the country last year.

The heroin trafficking that operates through **India** has been accelerating, and more seizures of heroin shipped from or transitting India have been noted in both the United States and Europe. In response to this increased heroin trafficking, India formed the Narcotics Control Bureau in 1986 to investigate and dismantle the highest level trafficking organizations in India. This Bureau is a Federal narcotics enforcement agency akin to DEA.

India's enforcement efforts continue. An asset seizure law is under consideration. The 1985 Narcotics and Psychotropic Drug Law provides increased penalties for drug trafficking and possession, more flexibility for law enforcement to utilize plea bargaining, and provisions for new drug awareness programs.

There has been an increased dialogue between the U.S. Embassy in India, DEA, and top Indian policy-makers about drug abuse and drug trafficking. DEA opened an office in Bombay in 1986 to

increase DEA's assistance to Indian anti-drug efforts. As a result of these new relations, the Government of India has accepted training and assistance on narcotics enforcement from DEA. India has also made overtures to neighboring countries for the exchange of narcotics intelligence.

Europe

Europe remains a transshipment area for narcotics and dangerous drugs from Southwest and Southeast Asia, and is a major consumer of all types of drugs.

Since 1984, more than 13 heroin labs, most of which were converting No. 4 Southeast Asia heroin or heroin base to No. 3 smoking heroin have been seized in the **Netherlands**. It is believed that this heroin was intended for further distribution in Europe. In at least one instance in 1986, the **USSR** was used as a transshipment point for 220 kilograms of Southwest Asian heroin destined for Europe.

Italy eliminated most of its heroin processing laboratories by 1983, but there still may be a few labs operating in Italy and France.

The movement of heroin from Italy to the United States continues to be under the direction and control of the Sicilian Mafia. Although the quantity of heroin transitting Italy to the

United States has been reduced significantly during the past three years, certain Sicilian groups are still very active in the production, import, and export of heroin.

While the exportation of heroin to the United States continues to be our primary concern, the seizure in Milan, Italy, in November 1986 of more than 108 kilograms of heroin and more than $1 million in Italian currency emphasizes the magnitude of Italy's own heroin problem. Follow-up investigations by Italian authorities indicate this heroin was destined for consumption within Italy.

In France, "French Connection" traffickers recently released from prison are attempting to re-establish their heroin refining operations. DEA has concluded an investigation of an international heroin ring headed by two "French Connection" heroin chemists. The investigation, which involved several of our domestic offices as well as DEA offices in Spain, France and Switzerland working closely with the law enforcement agencies of those countries, led to the seizure of a very sophisticated heroin laboratory in Switzerland.

The New York phase of the operation included the seizure of approximately $2 million and a boat, and led to the location of a dismantled heroin lab in Arizona. Four defendants were recently convicted in the Southern District of New York for their

involvement in this case and are facing long prison terms; two of the defendants could be sentenced to life imprisonment under the continuing criminal enterprise statute.

The trafficking of cocaine from South America to Europe continued to escalate during 1986. In **Spain**, where Colombian traffickers are most active, cocaine seizures doubled between 1985 and 1986. Other European countries have been similarly affected.

Although less affected as a drug source or transit nation, **England** has nonetheless been playing a vital role in international drug control, specifically with respect to drug control legislation and asset removal. Over the past several years, the Department of Justice and DEA have played an integral role in the development and implementation of a bilateral agreement to exchange drug-related information pertinent to laundering assets through British banks. Significantly, the entire European economic community, as well as all of the Commonwealth, are looking toward Great Britain to gauge the success of their asset forfeiture law for possible replication.

Foreign Intelligence Collection and Exchange

As the agency with responsibility for Federal drug-related intelligence matters, DEA maintains liaison relationships with appropriate intelligence, security, and law enforcement

components of foreign governments. In addition, DEA collects strategic, operational, and tactical information through foreign sources.

DEA is not a member of the formal U.S. Government Intelligence Community, also known as the National Foreign Intelligence Program (NFIP), which consists of the Central Intelligence Agency, the National Security Agency, the Defense Intelligence Agency, various intelligence and counterintelligence components of the Departments of Defense and State, and the Federal Bureau of Investigation.

While most of the NFIP collection, analysis, and production is concerned with national security matters, narcotics has evolved as an increasingly important subject of NFIP concern. To avoid overlap and duplication, many of the foreign aspects of the DEA mission are coordinated with and through the various NFIP agencies and mechanisms. Thus, a complex, but efficient, interaction exists.

Working within the NFIP structure, DEA tasks its own foreign-based personnel with uniform intelligence collection requirements. In this way, DEA and other agencies can share a standard reporting format for passage of drug intelligence between NFIP agencies and DEA.

DEA also manages the El Paso Intelligence Center (EPIC) as the national center for drug interdiction and other border enforcement information. Nine Federal agencies, including DEA, participate in this 24-hour daily operation. Law enforcement agencies in all 50 states are also members and share information with EPIC. EPIC provides research and response to inquiries and enters suspect persons, vehicles, aircraft and vessels into a look-out system that all the agencies can use.

As an All Source Intelligence Center (ASIC) for tactical intelligence, EPIC will remain in Texas, but will be moving to a larger building that will be built to its specifications. DEA has notified Congress of our intention to move to Ft. Bliss, where our intelligence operations will also be under a controlled access for increased security. The Continuing Appropriations Act for 1987 appropriated $7.5 million to establish the ASIC within EPIC and to relocate EPIC to Ft. Bliss, Texas.

Conclusion

In conclusion, I believe that progress in international cooperative efforts and in individual country's efforts on drug production, trafficking, and abuse has been achieved. More nations, including drug source, drug transit, and consumer countries, are involved in the drug control effort now than at any other time in our history.

I appreciate that both law enforcement and drug prevention and education were addressed in the Anti-Drug Abuse Act of 1986. The additional responsibilities and resources that Congress allocated under the Act will enable DEA and other drug law enforcement agencies to more effectively pursue drug traffickers in the United States and in other nations.

Mr. Chairman, I thank you and the Select Committee for its continuing support of our efforts in dealing with the international narcotics trafficking problem as it affects our nation's continuing drug abuse problem.

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DRUG ABUSE PREVENTION AND CONTROL: BUDGET AUTHORITY FOR FEDERAL PROGRAMS, FY 1986-FY 1988

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ABSTRACT

The President's budget for fiscal year 1988 asks for a total of $3 billion for Federal programs to prevent or control the use of narcotics and other dangerous drugs. In the form of a table, this CRS report shows budget authority (BA) requested, by agency, as compared with actual BA for FY 1986 and estimated BA for FY 1987. In the case of FY 1987, increased amounts authorized by the Anti-Drug Abuse Act of 1986 are also indicated, as are appropriations made pursuant to the Act under a separate title of the omnibus appropriations statute for that year, P.L. 99-571. A separate column shows the FY87 budget as proposed to be revised.

DRUG ABUSE PREVENTION AND CONTROL: BUDGET AUTHORITY
FOR FEDERAL PROGRAMS, FY 1986-FY 1988
(Millions of Dollars*)

	FY 1986	FY 1987				FY 1988
		Anti-Drug Abuse Act (P.L. 99-570) authorization increases	Appropriations, P.L. 99-591 [1]			
			Title I [2]	Title II [3]	Total	Proposed in President's FY 1988 Budget	President's FY 1988 Budget
LAW ENFORCEMENT							
Department of Justice							
DEA	388	60	420	60	480	490	522
FBI	99	2	107	2	109	109	124
Criminal Division	3	0	3	0	3	3	3.3
Tax Division	1.8	0	2	0	2	2	2
U.S. Attorneys	60	31	44	31	75	75	103
U.S. Marshals	52	17	43	17	60	62	84
Prisons	176	125 [4]	157	125 [4]	282	289	324
Support of Prisoners [5]	19	5	15	5	20	23	26
INS	1	0	1.3	0	1.3	1.3	1.3
OJP	14	235 [6]	13	225	238	241	5
INTERPOL	0.2	0	0.2	0	0.2	0.2	0.2
Pres. Com. on Org. Crime	1.2	0	0	0	0	0	0

*All figures rounded except for those under $2 million.

Drug Abuse Prevention and Control: Budget Authority for Federal Programs, FY 1986-FY 1988—Continued
(Millions of Dollars*)

	FY 1986	FY 1987				FY 1988
		Anti-Drug Abuse Act (P.L. 99-570) authorization increases	Appropriations, P.L. 99-591 1/ Title I 2/	Title II 3/	Total	Proposed in President's FY 1988 Budget	President's FY 1988 Budget
LAW ENFORCEMENT—Continued							
Department of the Treasury							
Customs	380	185 7/	406	147 8/	553	500	425
IRS	64	0	64	0	64	64	72
ATF	8	0	9	0	9	8	8
Payments to Puerto Rico	0	0	0	8	8	8	0
Secret Service	0	5	0	5	5	0	0
Department of Transportation							
Coast Guard	401	128 9/	422	128 9/	550	552	560
FAA	0.6	0	1	0	1	1	0.7
Federal Highway	0	50					
Department of State							
INM	55	63	65	53	118	118	99
AID (Direct)	24	3	4	3	7	7	7
USIA	1	2	0	2	2	2	1

Drug Abuse Prevention and Control: Budget Authority for Federal Programs, FY 1986-FY 1988—Continued
(Millions of Dollars*)

	FY 1986	FY 1987					FY 1988
		Anti-Drug Abuse Act (P.L. 99-570) authorization increases	Appropriations, P.L. 99-591 1/			Proposed in President's FY 1988 Budget	President's FY 1988 Budget
			Title I 2/	Title II 3/	Total		
LAW ENFORCEMENT—Continued							
Department of Agriculture							
Ag. Research Service	1.3	0	1.4	0	1.4	1.4	1.4
U.S. Forest Service	3	10	3	0	3	4	6
Department of the Interior							
Bureau of Land Management	1	0	1	0	1	1	1
Park Service	0.2	1	0.2	1	1.2	1.2	1.2
Bureau of Indian Affairs	15	21	15	12	27	19	15
Fish and Wildlife	1	0	1	0	1	1	1
Food and Drug Administration	1.6	0	1.6	0	1.6	1.6	1.7

Drug Abuse Prevention and Control: Budget Authority for Federal Programs, FY 1986-FY 1988—Continued
(Millions of Dollars*)

	FY 1986	FY 1987				FY 1988
		Anti-Drug Abuse Act (P.L. 99-570) authorization increases	Appropriations, P.L. 99-591 1/			Proposed in President's FY 1988 Budget	President's FY 1988 Budget
			Title I 2/	Title II 3/	Total		
LAW ENFORCEMENT—Continued							
Department of Defense 10/							
Direct Operating costs	70		73	0	73	73	75
Other appropriations	38	338	14	300	314	314	0
Judiciary 11/							
Salaries and expenses	NA	12	0	12	12	NA	NA
Defender Services	NA	18	0	18	18	NA	NA
Jurors/ Commissioners Fees	NA	7	0	7	7	NA	NA
Subtotal, Drug Law Enforcement	1,878	1,297	1,887	1,161	3,048	2,971	2,468

Drug Abuse Prevention and Control: Budget Authority for Federal Programs, FY 1986-FY 1988—Continued
(Millions of Dollars*)

	FY 1986	FY 1987				FY 1988
		Anti-Drug Abuse Act (P.L. 99-570) authorization increases	Appropriations, P.L. 99-591 1/			
			Title I 2/	Title II 3/	Total	Proposed in President's FY 1988 Budget
DEMAND REDUCTION						
PREVENTION						
ADAMHA 12/	88	[ ] 13/	134	75	209	209
Department of Defense	63	0	70	0	70	70
Department of Education	3	200	0	200	200	200
Department of Labor	0.1	3	0	3	3	3
Bureau of Indian Affairs	0	4 14/	0	5	5	5
Action	10	6	10	3	13	13
White House Conference	0	5	0	5	5	5
Subtotal, Drug Abuse Prevention	165	[ ] 13/	214	291	505	505

Drug Abuse Prevention and Control: Budget Authority
for Federal Programs, FY 1986-FY 1988—Continued
(Millions of Dollars*)

	FY 1986	FY 1987				FY 1988
		Anti-Drug Abuse Act (P.L. 99-570) authorization increases	Appropriations, P.L. 99-591 1/ Title I 2/	Title II 3/	Total	Proposed in President's FY 1988 Budget	President's FY 1988 Budget
TREATMENT			**DEMAND REDUCTION—Continued**				
Department of HHS							
ADAMHA 12/	117	[ ] 13/	124	177	301	301	124
Indian Health Service	24	22 14/	26	22	48	48	26
Department of Defense	20	0	21	0	21	21	22
Bureau of Indian Affairs	0	8 14/	0	5	5	5	0
Veterans Administration	67	10	70	10 15/	80	80	72
Subtotal, Drug Abuse Treatment	227	[ ] 13/	241	214	455	455	244
TOTAL, FEDERAL DRUG CONTROL	2,270		2,342	1,666	4,008	3,931	3,033

Sources: (1) National Drug Enforcement Policy Board. National and International Drug Law Enforcement Strategy. January 1987. Appendix B, pp. 181-188.
(2) Office of Management and Budget.
(3) P.L. 99-570 and P.L. 99-591.
(4) Agency budget analysts.

1/ Resolution for continuing appropriations, FY 1987. P.L. 99-591 superseded P.L. 99-500.

2/ Base appropriations for ongoing programs. In the case of multi-function agencies, amounts shown are estimates made -- by each agency -- of the portion of the agency's total budget authority that is (or will be) allocated to drug control activities.

3/ Added appropriations pursuant to Anti-Drug Abuse Act of 1987 (P.L. 99-570).

4/ $97 million for construction; $28 million for operation.

5/ Specifically, support of Federal prisoners in non-Federal institutions.

6/ $230 million of the increase was earmarked for grants for State and local drug law enforcement; $5 million, for a pilot prisoner capacity program.

7/ $81 million for salaries and expenses; $94 million for the Air Interdiction Program; $10 million increase in the Customs Forfeiture Fund.

8/ $44 million for salaries and expenses; $93 million for the Air Interdiction Program; $10 million increase in the Customs Forfeiture Fund.

9/ $39 million for operating expenses; $89 million for acquisition, construction, and improvement.

10/ The budget summary included in the strategy report recently issued by the National Drug Enforcement Policy Board (see "Sources," below) is footnoted as follows:

> Numbers reflect the direct expenses incurred by DOD in providing assistance to drug law enforcement as a by-product of its training and readiness missions, plus appropriations directly for drug law enforcement missions in the following amounts: 1986--$38M; 1987--$314M. Value of other DOD aircraft and other major equipment provided, loaned, or procured for drug law enforcement, in addition to amounts listed above, equals $138.65 million, in 1986 dollars.
>
> Since 1985 DOD has computed direct and allocated (indirect) costs for the equivalent value of services for DOD support to drug law enforcement. Direct costs include operation and maintenance costs of military equipment support. Allocated costs include life cycle costs of equipment, amortization, capitalization, and other overhead. DOD rough order of magnitude estimates for allocated costs total $82.7 million in 1985 and $126.3 million in 1986. DOD support services for drug law enforcement are provided "incidental to military training and operations." Nearly all of this cost has been waived from reimbursement under the Economy Act since DOD derives "substantially equivalent training."

DOD 1986 costs are estimated from computed actual costs of $52.3 million for the first three quarters of 1986.

11/ Estimates of the amount of the Judiciary Branch's base budget that is spent on the processing of drug law offenders are unavailable.

12/ Alcohol, Drug Abuse, and Mental Health Administration (Department of Health and Human Services). All of the research program of the National Institute on Drug Abuse is included under the prevention category. All of the ADMS block grant funds are included under "Treatment." Of funds appropriated in 1987, $252 million is available for obligation through FY 88.

13/ The total additional amount authorized for ADAMHA activities related to both drug and alcohol abuse was $241 million, with the following allocation specified:

Addition to ADMS block grant.....6.0%
Special allotment for treatment and rehabilitation.....70.5%
Transfer to Veterans Administration...4.5%
Evaluation of treatment programs.....1.0%
Office of Substance Abuse Prevention and high-risk (population) demonstration projects.....18.0%

Since there is no specification of the distribution of the block grant increase (i.e., whether for prevention or treatment), and since the Office of Substance Abuse is also concerned with alcohol abuse, the ADAMHA authorization is not indicated in the table, which separates the prevention and treatment functions. The total authorization increase for ADAMHA--for both functions--was $241 million; the appropriation was $262 million, which included $30 million for the research programs of the National Institute on Drug Abuse (NIDA) and the National Institute on Alcohol Abuse and Alcoholism ($27 million for NIDA), and $1 million for a study of the approach of private health insurers to costs incurred for the treatment of drug abuse.

14/ Authorization is for prevention (or treatment) of substance abuse in general.

15/ Transferred from ADAMHA as required by P.L. 99-570; available for obligation through FY 88.

*All figures rounded except for those under $2 million.

HLH:pjg

INDEX OF ABBREVIATIONS

ADAMHA-Alcohol, Drug Abuse, and Mental Health Administration
ADMS-Alcohol, Drug Abuse, and Mental Health block grant
AID-Agency for International Development
BATF-Bureau of Alcohol, Tobacco, and Firearms
BOP-Bureau of Prisons
Crim Div-Criminal Division, Dept of Justice
Customs-US Customs Service
DEA-Drug Enforcement Administration
Dept of Ed-Department of Education
DOD-Department of Defense
DOJ-Department of Justice
DOL-Department of Labor
FAA-Federal Aviation Administration
FBI-Federal Bureau of Investigation
FDA-Food and Drug Administration
HHS-Department of Health and Human Services
INM-International Narcotics Matters
INS-Immigration and Naturalization Service
IRS-Internal Revenue Service
NIAAA-National Institute on Alcohol Abuse and Alcoholism
NIDA-National Institute on Drug Abuse
OJP-Office of Justice Program
Pres. Com. on Org. Crime-President's Commission on Organized Crime
Tax Div-Tax Division, Department of Justice
US Atty-US Attorneys
USCG-US Coast Guard
USDA-US Department of Agriculture
US Forest Svc-US Forest Service
US Marshal-US Marshals Service
VA-Veterans Administration

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